FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Whitlam demotes deputy in Cabinet reshuffle

Australian Deputy Premier Jim Cairns has been demoted from Treasury post to the Environment Ministry in an extensive Cabinet reshuffle which has given a Right-wing shift to Mr. Gough Whitlam's Labour Government.

Dr. Cairns revealed that he had been told by Mr. Whitlam that his move from the Treasury was prompted by his "unwise" action in going outside Government channels to investigate overseas sources of loan funds. He claimed the evidence for this judgment was based on letters removed from his personal files and "doctored" to misrepresent what he had done.

Mr. Whitlam has ordered an official inquiry into the affair. Back Page

Israel-bound ship in Suez bid

A Liberian-flag freighter, carrying 12,000 tons of South Korean sugar to Israel has changed course and will attempt to pass through the Suez Canal later this week. Israeli Foreign Ministry said the Government had not initiated the switch and the ship's passage was not considered a formal test case of the right of Israeli-bound cargoes to use the waterway.

Back Page, Editorial Comment, Page 18

Spanish officer killed on train

Two Basque guerillas escaped after fighting a gun-battle with the Spanish para-military Guardia Civil aboard a moving train, killing one officer and injuring another. Six policemen have been killed by separatists in the last three months, four since the state of emergency was declared. Page 6

Jury bans film

Swedish film, More About the Language of Love, shown in London with a X certificate from the GLC, was found to be grossly indecent by an Old Bailey jury. Distributors Jacey (London) and Fancey Associates were both fined £500. Page 8

Operation delayed

An operation to sterilise an 11-year-old Sheffield girl, with a congenital abnormality is to be postponed for the second time because of the publicity, said paediatrician Dr. Ronald Gordon. National Council for Civil Liberties is to lodge an application to have the girl made a ward of court.

Clerks jailed

Nine West London postal counter clerks, including five union branch officials, were jailed at the Old Bailey for their part in a ring selling stolen National Insurance stamps. Page 9

Cornfeld indicted

Mr. Bernard Cornfeld, former chairman of Investors Overseas Services, has been indicted by a federal Jury in Los Angeles on charges of defrauding a telephone company. Page 4

Briefly . . .

High Court ruled that British Boxing Board of Control could not impose financial conditions on John Conteh before allowing him to fight in the U.S.

Driver and a woman passenger were seriously injured when a bus went out of control on a steep hill on the outskirts of Crediton, Devon. Twelve others were hurt.

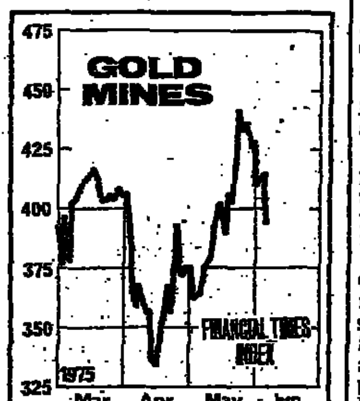
Lord Thomson of Fleet spent his 81st birthday in hospital with a cold virus infection.

Coventry is believed to be the first Anglican Cathedral to employ a Roman Catholic priest—as director of its youth hostel.

BUSINESS

Equities rise 6.3 in late dealings

● EQUITIES showed a sharp rise after hours, encouraged by talk of an imminent rights issue by Glaxo. The FT 30-share index, unchanged at 3 p.m., finished the day up 6.3 at a new 1975 peak of 365.3.



A sharp fall in the dollar premium prompted defensive marking down of gold mining shares, which closed with substantial losses. The Gold Mines index shed 21.5 to 392.9.

● GILTS showed good business in shorts, helped by the exhaustion of unofficial "tap" supplies of Treasury 3 per cent. 1977. Mediums and longs were in demand early.

● INVESTMENT DOLLAR premium's downward momentum this week gathered pace closing 6½ points down at 93½ per cent.

● STERLING rose 40 points to \$2.3225, with its weighted depreciation narrowing to 24.6 (24.7) per cent. Dollar's fall widened a little to 7.06 (7.05) per cent.

● GOLD rose 75 cents to \$165¼.

● WALL STREET, down about 7 points early in the day on fears of higher world oil prices, recovered to close up 2.19 at 842.12 in anticipation of prime rate cuts to-day.

● FRENCH BANK RATE was lowered half a point to 9.5 per cent. in the fourth cut this year. Page 6

● NEW YORK CITY has been advanced \$100m. in property taxes, of which \$50m. will be used to meet to-day's payroll. Cash crisis will become acute again next week when short-term debts fall due.

Oil price hope 'unjustified'

● SHEIKH YAMANI says hopes that declining demand and under-utilised capacity might force oil producers to cut prices are unjustified.
Page 9

● TALKS are expected next week in an attempt to avert the threatened rail strike. Cross-Channel and other ferry services would also be hit under NUR strike plans drawn up yesterday.
Back Page

● CITY TAKE-OVER PANEL statement is expected to-day on the complex position of Haw Par Brothers International vis-a-vis London Tin Corporation, in which it is acquiring a controlling stake.
Back Page

● BRITAIN needs either a recession "to bring it back to reality," or a Budget to reduce home consumption, according to Mr. Jim Slater.
Page 21

COMPANIES

● SLOUGH ESTATES is buying the private company Suttons Seeds for £3.2m. in cash.
Back Page

● FURNESS WITHY profits are expected to hold up well in the current year, retiring chairman Lord Beeching tells shareholders.
Page 23 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES

...ansport 3% 1977	£87¾	+ ⅛
...ectric 3½% 76/79	£78⅝	+ ⅜
...glo-Continental	59	+ 10
...rclays Bank	325	+ 10
...rry Wiggins	75	+ 5
...water	185	+ 8
...lam (J.)	45	+ 5
...woods	156	+ 11
...loride	118	+ 6
...axo	460	+ 21
...N	270	+ 7
...wthorn Leslie	52	+ 6
...	302	+ 6
...porte	103	+ 4
...oyds Bank	265	+ 13
...rchwiel	80	+ 6
...rks & Spencer	255	+ 6
...tl. Westminster	275	+ 13
... Bazaars 'A'	875	+ 25
Owen Owen	57	+ 4
Polymark	22	+ 5½
Rowntree Mackintosh	157	+ 6
Thorn Elect. 'A'	174	+ 6
United Newspapers	236	+ 15
Vickers	150	+ 5
Burmah Oil	32	+ 4

FALLS

Bank of NSW	675	− 45
British Rollmakers	30	− 4
Haslemere Estates	218	− 8
Bank of NSW	675	− 45
British Rollmakers	30	− 4
Philips' Lamp	785	− 37
Slater Walker	81	− 5
BP	518	− 12
Hartebeest	£27	− 1½
Northgate Exploration	285	− 15
Poseidon	460	− 20
Roans Cons. Mines	300	− 20
Selection Trust	665	− 30
Southern Malayan	166	− 8
Stilfontein	415	− 40
Vaal Reefs	£29¼	− 2¼

(FT stock indices and FT-Actuaries summary Page 35.)

IN SCOTLAND, WALES AND ENGLAND

Resounding yes to Europe in ITN poll

BY RICHARD EVANS, LOBBY CORRESPONDENT

A MASSIVE Yes vote in yesterday's historic referendum to decide whether Britain should remain a member of the European Economic Community was predicted last night in a poll sponsored by Independent Television News.

The poll, conducted by Opinion Research Centre at 150 selected booths throughout the country, found that 68.3 per cent. were in favour of continued membership of the Common Market and 31.7 per cent. against.

The proportion of more than 2-1 for pro-Marketeers supports the verdicts of the four other polls that have published their forecasts in the last two days.

About 10,000 voters were questioned in the ITN poll, making it by far the largest sample. Locally, the questioners found that all areas of the U.K. are expected to vote yes, with the possible exception of Northern Ireland, the Western Isles and the Central region of Scotland.

Even Scotland as a whole is expected to vote yes by about 59 per cent. to 41 per cent., a majority of 18 per cent. If this proves true, it will be a savage blow to the hopes of the Scottish National Party, which campaigned vigorously for withdrawal from the EEC.

The prospect of a resounding yes vote was supported by an earlier Opinion Research Centre poll in the London Evening Standard last night which showed 73.7 per cent. in favour of continued membership and 26.3 per cent. against—a proportion of 3-1. An average of the last four polls, apart from ITN, shows 65 per cent. intending to vote yes and 26 per cent. no.

Results will start coming in at about noon to-day—the first probably from the Isles of Scilly. An accurate prediction should be possible by mid-afternoon and the final result will be declared from Earls Court, London, at about 11 p.m. by Sir Philip Allen, the Chief Counting Officer.

First reports from the 68 polling areas showed a very patchy turnout, with polling generally heavier in England and Wales than in Scotland. But voting had picked up substantially by early evening and a reasonably heavy final poll was expected.

Polling arrangements were slightly upset in some parts of South Wales when members of the National and Local Government Officers' Association refused to work on the referendum in protest at a national pay offer of 21.7 per cent.

A union official said counting to-day was unlikely to be delayed in the areas affected.

Few pro-Market campaigners seriously doubt that they will secure a Yes majority when the votes are counted, but their one major fear is that the poll will be too low to settle European doubts once and for all about Britain's attitude to the Community. They are also nervous that the substantial majority forecast by the polls could have induced some complacency.

The 68 voting areas in the U.K. include 46 counties in England, plus the Scilly Isles, eight counties in Wales, nine regions and three island areas in Scotland.

Politics To-day Page 19

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Men and Matters, Page 18

Freddie Mansfield

The entire overseas and London services votes in the referendum being counted at the Ministry of Defence verification centre at headquarters in Whitehall. Three hundred sealed boxes arrived there, containing between 150,000 to 170,000 votes. After verification they will be transported to Earls Court.

New British initiative on Rhodesia soon

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

A NEW British initiative on Rhodesia, aimed at preventing the collapse of detente in Southern Africa, is being drawn up by Mr. James Callaghan, the Foreign Secretary. The initiative, which involves Britain in convening a constitutional conference on Rhodesia's future, is to be announced shortly after Parliament reconvenes next week.

The British plan—which originated in its present form at last month's Commonwealth summit in Jamaica—had to be shelved then due to changes in the Rhodesian situation, and because of the British Government's preoccupation with the EEC.

However Mr. Callaghan, in close consultation with Mr. Wilson, the Prime Minister, and African leaders, has decided that the detente exercise, launched by black African leaders and South Africa last November, has now run out of steam.

The British Government is believed to feel that, if a renewal of the armed struggle in Rhodesia is to be avoided, Britain must play a more positive role than she has so far done.

This involves a complex series of diplomatic moves aimed to get Mr. Ian Smith, the Rhodesian Premier, and the African nationalists round the conference table, some time within the next two to three months if possible, but certainly before the end of this year. The conference would be held in London, preferably, although a "neutral" African or European capital is not excluded. Britain would be in the chair.

Originally, this plan was to have been announced by Mr. Callaghan in mid-May, with the conference called for July. Now, both the announcement and the conference's timing are to be flexible, mainly because it is now realised how many difficulties must be overcome.

The most fundamental is whether there is any possibility of bridging the yawning gap between the two sides. Despite his acceptance of "talks without preconditions" earlier this week, it is felt that Mr. Smith may well be as intransigent in his opposition to African rule as ever.

The African nationalists themselves, however, despite their now overt differences, will not accept anything less than African majority rule, to which Britain is also committed.

In these circumstances, there is a real possibility that Mr. Smith would refuse to attend a conference called by Britain. But while, in a reversal of their previous policy, Mr. Wilson and Mr. Callaghan accepted—at Kingston last month—the possibility of an empty White Rhodesia seat, they clearly hope that Mr. Smith can somehow be persuaded to attend.

This is one task that may be given to a British Minister who, as part of the proposals, is expected to visit Salisbury within the next few weeks. It is still thought that Mr. Callaghan will send Mr. David Ennals, junior Minister at the Foreign Office, who will probably also attend Mozambique's independence celebrations.

However, since attempts to use direct British influence tended in the past to have been counterproductive, Mr. Callaghan will also rely on outside pressures, the most important of which are sanctions by Mozambique, continued South African pressure, and the continued threat of guerilla war.

£ in New York

—	June 5	Previous
Spot	\$2.3265-3275	\$2.3180-3190
1 month	0.83-0.78 dis	0.95-0.87 dis
3 months	2.65-2.50 dis	2.76-2.71 dis
12 months	10.80-10.70 dis	11.00-10.90 dis

Capital expenditure cut by 8%

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

MANUFACTURERS' capital expenditure on new buildings, plant and machinery fell by 8 per cent. in real terms between the fourth quarter of 1974 and the first quarter of this year, according to statistics released by the Department of Industry.

This is the first official indication of the widely predicted downturn in industrial investment resulting from the U.K. recession, last year's squeeze on corporate profits and liquidity, and the general decline in business confidence.

Following an increase of nearly 11 per cent. in manufacturing investment between 1973 and 1974, a cutback of up to 10 per cent. this year has already been envisaged by Government surveys.

The latest view of this year's prospects will come with the publication of the results of the Department of Industry's latest investment intentions inquiry next Monday.

This is expected to be in line with the generally depressed picture recently painted by the Confederation of British Industry. Meanwhile, in its June monthly economic assessment, the Treasury states: "Over the next 12 months a low level of expected demand and shortage of internal finance are seen as the main constraints on further investment, and the continuing prospect is further falls in manufacturing investment in 1975 and 1976."

The different lead times for various categories of capital expenditure have produced a marked difference in the scale of cutbacks so far.

In the first quarter investment in vehicles by manufacturing industry was down 20 per cent., but expenditure on new plant and machinery fell only 5 per cent. and the drop in new building work was just 1 per cent.

New investment in the distributive and service industries had already begun to taper off during 1974. In the first quarter according to the Department of Industry estimates, there was a further fall of 8 per cent.

Statistics for industry's stocks — also out yesterday — show a reduction of more than £100m. in stocks of materials and fuels in the first quarter. This 'inventory recession' had already been indicated by the detailed monthly overseas trade figures.

At the same time manufacturers' stocks of finished goods rose nearly £100m. in the first quarter, reflecting an involuntary build-up as the recession got under way.

Much has been made during the referendum campaign of companies either diverting investment towards the EEC or holding up decisions on U.K. investment until the result is known.

Even without such influences the industrial investment picture would have been badly depressed at this stage of the economic cycle.

By far the most worrying factor at present, however—in the view of many industrialists, as well as institutions such as the Bank of England and the National Economic Development Office—is the effect of the U.K.'s present and potential rate of inflation on industrial investment decisions.

Having taken action to alleviate the financial position of companies in recent Budget measures, the Treasury this month goes to some lengths to spell out the problems the company sector had got into.

The June economic assessment points out that the value of stocks and work in progress which companies had to finance rose six-fold between 1972 and 1974, from under £1bn. to £5.5bn.

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FEATURES

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ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

Car output lowest since 1962

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

VEHICLE PRODUCTION in the U.K. slumped last month to its lowest level since June 1962. At the same time, registrations now appear set on a course which will set the British market back to 1970 levels, or even worse.

The figures, released yesterday by the Department of Industry, confirm the depth of the recession which is now gripping the British industry.

On the production front, for example, motor manufacturers achieved a total output of only 71,000 units in the four weeks ending May 24. This gave an average weekly rate of 17,750—or 55 per cent. lower than the level achieved in May 1974, which was itself the worst year since 1967.

Estimated registrations were 95,000 for the month, but on a seasonally adjusted basis sales dropped to a dismal 87,000.

Part of the drop in production can be attributed to strikes. Chrysler had all its plants shut down for some of the month by the strike at its Stoke engine plant and Ford has been similarly hit at its Dagenham assembly works by the door-hangers' dispute.

Production has however, been cut back on several British Leyland lines, including the Allegro—designed as a big-volume car—as well as at Vauxhall. Ford itself had reduced its Dagenham large car output before the strike and had sufficient numbers in stock not to be embarassed so far by the dispute.

Commercial vehicles have also begun to suffer, with output, at 32,000 units, showing a drop of 11 per cent. on the same month last year. So far this year, CV sales in the lighter weight sectors have held up well, although heavy vehicle registrations appear to have fallen by about 20 per cent.

What is particularly worrying for the industry now is the continuing heavy decline in new registrations. The first half of the year is generally the best and the opening months of 1975 produced a more buoyant market than had been expected.

But hopes that last year's sales level of 1.27m. cars might be reached are receding fast. The DoI's figures suggest that the new car market this year may be only slightly more than 1m., lower than the conservative estimate made at the beginning of this year and possibly less than the 1,070,000 recorded in 1970, the lowest of the last five years.

This explains the efforts manufacturers are making to rein in price increases (although they will go up again this month) despite inflationary pressures, and, to some extent, the talks with the Government and the Japanese industry on limiting imports.

Glaxo £30m. rights issue

BY MARGARET REID

GLAXO HOLDINGS, the large pharmaceuticals and baby food group, will to-day announce a rights issue of £30m., one of the largest in the recent procession of these cash-raising operations.

The company, which is headed by Mr. Austin Bide, is expected to offer shareholders one new share for each four already held. The price should be broadly in the region of 175p, well below Glaxo's current share price.

Yesterday, as rumours of an impending issue by the group were heard in the stock market after the official close of dealings, the shares, which had been little changed, leapt ahead to finish 21p up at a year's peak of 460p. The equity market generally moved up towards the end of the day.

The Glaxo offer will bring the total of rights issues to some £570m. so far this year, without counting in the £27m. issue by Rank Organisation, which was on a rather different basis. The highest total for any full year in the past was the £686m. in 1972.

The group's issue is likely to be the seventh largest in 1975, those for bigger amounts having been by the Midland Bank (£52m.), Prudential Assurance (£46m.), Sun Aliance (£37.5m.), GKN (£36.5m.), RTZ (£33m.) and Guardian Royal Exchange (£31.6m.).

Glaxo, whose shares earlier this year stood as low as 198p, is valued in the stock market at £315m. In 1972, the group was the subject of rival take-over bids of up to £400m. from Beecham, which the Board opposed, and Boots, whose offer the directors supported. Both bids were however banned by the Monopolies Commission.

In 1973-74 Glaxo made a pre-tax profit of £43.5m., and in April announced virtually unchanged a pre-tax profit of £18.1m. for the first half of the current year, which ends this month.

GOLF: AMATEUR CHAMPIONSHIP

A victory for Geoff Marks

BY BEN WRIGHT

CRAIG STADLER, a vehement young American Walker Cup player whose golfing life is lived on the shortest of fuses, involved himself in an unsavoury incident of the kind that one neither expects nor condones, during the fourth round of the Amateur Championship at Royal Liverpool yesterday.

Stadler, playing the former Walker Cup player, Geoff Marks, had begun his match badly and had already thrown a club at the first hole. He lost that hole and the next and missed from two feet at the third to go three down. Stadler then picked up his ball, threw it hard over his shoulder in the general direction of his caddy and marched off. However, the caddy, Jimmy Robertson, had other ideas. He dropped the American's big bag, turned towards the club house and told Stadler: "You can find yourself another caddy."

A volunteer from the crowd, Tony Dougan, stepped up and later Robertson, a professional caddy well used to normal tantrums, explained why he had sacked his employer. "He's been chucking clubs and balls all week. I was going to leave him at the 11th on Wednesday and it was just the law straw this time. I'm not going to be treated like an animal by anyone."

During these unpleasant antics Marks turned away and tried not to look. After the match he said: "Stadler's a nice bloke really, who just gets angry with himself."

Whatever Marks' private feelings, his golf remained unruffled and he was still three up after 13 holes. He needed only a drive and five-iron at the long 14th and was four up with four to play. He then set about giving us all a severe fright by losing the next three holes: driving into the rough at the 15th, getting a bad lie in a little hole for his third at the 16th, and then hitting his second at the 17th not just out of bounds but really into the front room of a house across the road.

He recovered, however, to find the green of the 18th in two and, with two for it, holed from 18 feet for a winning birdie.

The morning of what was a perfect golfing day — a strong breeze with bright, warm sunshine—saw the departure of two of the remaining Great Britain and Ireland team members, Richard Eyles who was seeded and Pat Mulcare who was not. Eyles lost to Graham Stradling a 28-year-old stockbroker who is here on a week's holiday which is proving a little more strenuous than he had anticipated. He was two down at the 14th, but won the 15th when Eyles was short in two, the 16th where he holed from 15 feet, and the 17th when the Walker Cup man missed his drive.

Mulcare has had a heavy week of it at Royal Liverpool and was three down after four holes, seven down after ten holes, and fairly relieved to escape to the comparative respectability of a five and four defeat.

Nicky Faldo ended a good run with a 19th hole defeat by David Moffatt, but Sandy Lyle escaped the clutches of Scottish international Matt Lygate who was two up with four to play. Short putts missed at the 15th and 16th meant a level match and Lyle was handed the game at the 19th when Lygate three-putted for a six.

Although Steven Martin, the 19-year-old former Scottish Boy's Stroke Play Champion beat Jay Haas, the American Walker Cup player by four and three in the afternoon, the top half of the draw is still likely to be heavy with Americans. Vinny Giles, Dick Siderowf and John Grace seemed probable winners, but Stadler's departure has made it certain that the final will not be an all-American concern.

Exxon sells Distrigaz stake

ANTWERP, June 5.

EXXON HAS concluded negotiations for the sale to the Belgian State of its shares in the Belgian gas and electricity supplier Distrigaz, a spokesman for Exxon's Belgian subsidiary Esso NV said. These represent one-sixth of the total share capital of Distrigaz, which at end-1974 stood at B.Frs.2.015bn., according to the annual report.

In a notice circulated to Belgian employees, Exxon said it decided to sell the shares because it needs capital to put into other phases of its operations.

The Belgian Cabinet has in principle approved the deal, which will raise the State holding in Distrigaz to almost 50 per cent. The rest is held by Stes Reunies d'Energie du Bassin de l'Escaut SA (Ebes) and Ste Intercommunable Belge de Gaz et Electricite SA (Intercom), which have one-third between them, and the Shell oil group which has about 16 per cent.

Reuter

RACING BY DOMINIC WIGAN

A sixth for Murless

NOEL MURLESS, whose Warren Place, Newmarket, stable has been having a lean time of late, sends out both *Moonlight Night* and Shallow Stream to try to give him a sixth Oaks success, following victories with Carrozza (1957), Petite Etoile (1959), Lupe (1970), Altesse Royale (1971) and Mysterious (1973).

I believe Mr. Jim Joel's *Moonlight Night*, the favourite, and mount of stable jockey Geoff Lewis, will do the trick for him.

This strongly-made chesnut daughter of that versatile performer, Levmoss, was having the second race of her career when landing the valuable Musidora Stakes at York on May 14.

Moonlight Night, a 9—1 chance, who on her only previous appearance had taken fourth place behind One over Parr in the Virginia Water Stakes at Ascot last July, put herself right into the Oaks picture on the Knavesmire—holding on gamely close home to defeat the more experienced May Hill by a head.

On identical terms to-day, I shall be surprised if *Moonlight Night*, who may have made more improvement than May Hill since York, cannot confirm her superiority, and give Murless his first classic success since Mysterious so decisively outpointed Where You Lead in this event two years ago.

If there is to be a turn-up (something which has not occurred in the Oaks since Sleeping Partner came home at 100—6 in 1969), *Misoptimist* may well be the cause.

Jeremy Hindley's attractive daughter of Blakeney showed much improved form on her fifth and most recent appearance when defeating Royal Sensation a shade cleverly in the one-mile Lupe Stakes at Goodwood a fortnight ago. The additional quarter of a mile here will be to her advantage.

A second possible winner for Mr. Joel, Murless and Lewis is *Dazzling Light*, among the runners for the tricky Ebbisham Handicap (4.25).

This half-sister by Silly Season to the top-class miler, Welsh Pageant, and also to the 1,000 Guineas runner-up Photo Flash, was a clear-cut winner from Sunny Nest in the Sefton Stakes at Chester last month, and the runner-up paid a compliment to that form when gaining compensation at Sandown recently.

I expect the progressive *Dazzling Light* to gain the second success of her career by outpacing *Misoptimist*'s stablemate, Ruling Class, a three-lengths runner-up to Red Gayle at York three weeks ago.

For the closing event, the Ashtead Stakes (5.0), *Dial-a-Lad* will be at prohibitive odds to open his account at last, following his respectable second-placed effort behind Smith at Kempton a fortnight ago.

Although he is clearly not of the calibre his connections had hoped for, this American-bred colt ought to have few problems here.

EPSOM
2.00—Mum's the Word
2.35—Divine Night
3.15—Moonlight Night
3.15 Misoptimist e.w.
3.50—Velvella
4.25—Dazzling Light***
5.00—Dial-a-Lad

CATTERICK
2.45—Noble Memory**
3.15—Moray*
4.15—Khardine

HAYDOCK
7.05—Calibina
7.35—Double Nap
8.35—Hard Sailor
9.05—Allez Allostock

SALEROOM BY ANTONY THORNCROFT

Ballet design makes £13,000

NUMEROUS and diverse sales were held in the London art markets yesterday. In terms of novelty, Christie's off-shoot in South Kensington can claim pride of place. It held the first sale devoted to motoring mascots.

From 1910 to the Second World War, there was a fashion for motoring enthusiasts to attach decorative figures of silver plate, chromium, or nickel to the bonnet radiator caps of their cars.

Two collections were sold yesterday, consisting of 191 mascots, and fetched £8,808 all told. Every lot sold, and prices were above the estimates.

Highest price was the £200 paid for a silver-plated Cupid with bow, the work of Norman Eastaugh around 1915. A glass mascot of a bird in flight of about 1930 made £180 and an eagle standing on a wreath, with a central black swastika, was bought for £170, the same price paid for a Minerva Warrior of 1920.

Of even greater interest was a Sotheby sale of ballet and theatre material. The highest price was a weighty £13,000, £3,000 above the best estimate, for a decor design by Leon Bakst for the ballet Scheherazade.

What makes the price even more remarkable is the fact that this watercolour, pencil and gold paint, was probably executed some years after Bakst produced his original designs in 1910.

Another Bakst, a costume design for the Sultane Rose, a watercolour and pencil of 1919, sold by the artists niece, made £6,500. A touch of the threatre surrounds a bronze of Nijinsky which was sold to an American for £5,000.

This was one of four bronzes made from a plaster bust of the dancer discovered in a London bookshop in 1954 and acquired for 10s. The bronze was sold by Richard Buckle to raise money for the proposed Theatre Museum.

Among the other good prices in a very successful sale were the £4,500 paid for an oil by Bakst, popular bathing on the Lido, showing Nijinsky: the same price for a similar oil; and £3,300 for a Bakst costume design for the Good Fairy from the Sleeping Princess.

Bonhams sold English and Continental paintings for a total of £92,288. Top price was the £14,000 paid by Friedman for a Dutch river landscape by Salomon van Ruysdael. *A Spanish flagship and Other Vessels off Cadiz* by Francis Holman was bought by Hickson for £4,700.

Prices at a Robson Lowe auction devoted to Postal History underlined the tremendous interest in this extension of the stamp market. The sale totalled £33,988, over £10,000 above target.

Top price was the £725 paid for a native letter sent from Tibet in 1911. A rare Russian letter of 1880 made £675 and a 1904 letter sent by Colonel Younghusband, leader of the Tibetan expedition to his wife in Darjeeling, was acquired for £625.

Another peripheral market is musical instruments, which Phillips sold yesterday for £30,104, with overseas buyers to the fore. Schroeder, a German paid £3,200 (within the estimate) for a 1790 violin by Joseph and Antonius Gagliono of Naples. Another German, Geyser, gave £1,600 for an 1880 violin by Enrico Melegari of Turin (just above the forecast).

TV Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 10.45 You and Me. 11.30 For Schools, Colleges. 11.45 Referendum Result: First Indications: David Dimbleby with David Butler, Charles Wheeler and Robin Day on the first results in the Referendum count. 1.30 In the Town. 1.45 News. 2.00 Referendum Result: Afternoon Report. †3.58 Regional News (except London). 4.00 Play School. 4.25 Referendum Result: Mid-afternoon Report. 4.35 Jackanory. 4.50 Roy Castle Beats Time. 5.15 Devlin. 5.40 Roobarb.

5.45 News.
6.00 Referendum Result—Nationwide.
6.45 Sportswide.
7.05 Haydock Park: The Nationwide Stakes.
7.15 The Wonderful World of Disney.
8.00 It's a Knock-out.
9.00 News.
9.25 Referendum Result—Talk-in.
10.00 Hitchcock's "Dial M For Murder," starring Ray Milland and Grace Kelly.
11.45 Referendum Result—Re-cap.
†12.20 a.m. Regional News.

All Regions as BBC 1 except at the following times:—

Wales—11.45 a.m.-1.30 p.m. Referendum Result: comment and result from the Welsh voting areas (and between 2.00-4.00 and 4.25-4.35). 6.00-7.15 Wales To-day. 7.15-7.45 Heddiw. 7.45-8.00 Disney Carnival. 12.20 a.m. News of Wales.

Scotland—6.00-7.15 p.m. Reporting Scotland. 12.20 a.m. Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.15 Scene Around Six. †12.20 a.m. Northern Ireland News Headlines.

England—6.00-7.15 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
11.00 Play School.
†5.00 p.m. Open University.
7.05 All in the Mind.
7.30 Newsday.
7.45 Family Fare.
8.10 The Money Programme.
9.00 The Balloon Game.
9.30 The Middle-of-the-road Roadshow.
10.30 The Old Grey Whistle Test.
11.20 News Extra.
11.49 Closedown: Jill Balcon reads "The Archaeologist" by Andrew Young.

LONDON

9.30 a.m. Schools Programmes. 11.45 Rainbow. 12.00 Europe—the Nation Decides. 2.25 p.m. The Epsom Summer Meeting (Oaks Day): Covering the 2.35, 3.15, 3.50, 4.25 races. 4.40 Europe—the Nation Decides.
6.30 Crossroads.
6.55 Europe — the Nation Decides.
7.00 Husband of the Year.
7.30 Romany Jones.
8.00 Referendum Latest, followed by Caribe.
9.00 Referendum Latest, followed by The Main Chance.
10.00 News.
11.00 Police Five.
11.05 Cinema.
11.35 Sammy, starring Sammy Davis Jnr.
12.35 a.m. Abbott of Westminster.

All ITV Regions as London except at the following times:—

ANGLIA

8.00 p.m. Police Story. 10.30 Kung Fu. 11.55 Men Who Matter.

ATV MIDLANDS

8.00 p.m. Hawaii Five-O. 11.00 Appointment With Fear: "The Revenge of Frankenstein" starring Peter Cushing, Francis Matthews and Eunice Gayson.

BORDER

7.30 p.m. The Six Million Dollar Man. 11.00 Cinema with Les Dawson. †11.30 Late Night Film: "The Fake" starring Dennis O'Keefe. †12.45 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 6.00 Report at Six. 7.30 Kung Fu. 11.00 The Friday Film: "The Long Haul." 12.35 a.m. News and Weather in French.

GRAMPIAN

7.00 p.m. Grampian News. 7.10 Grampian Week: "Referendum Re-Action." 8.05 The Streets of San Francisco. 11.05 The Late Movie: "Bolles On Their Toes" starring Jeanne Crain, Myrna Loy and Jeffrey Hunter, followed by Road Report 12.30 a.m. Evening Prayers.

GRANADA

7.00 p.m. The Protectors. 8.00 Kung Fu. 11.00 Cinema. †11.30 The Friday Film: "It Always Rains on Sunday" starring Googie Withers, Jack Warner and John McCallum.

HTV

6.30 p.m. Report West. 6.42 Report Wales. 7.05 The Friday Mystery Movie: "Mrs. Sundance." 11.30 U.F.O.

HTV Cymru/Wales—As HTV General Service except: 6.30-6.42 p.m. Y Dydd. 11.00 The Referendum in Wales. 11.20 Y Referendum Yng nghymru. 11.40 UFO.

HTV West—As HTV General Service except: 6.42-6.55 p.m. Report West.

SCOTTISH

6.30 p.m. The Flintstones. 7.00 Scotland Today Referendum Special. 7.30 The Streets of San Francisco. 8.32 Romany Jones. 11.04 Late Call. †11.09 Feature Film: "The Blood Beast Terror" starring Peter Cushing.

SOUTHERN

7.00 p.m. Romany Jones. 7.30 Weekend. 7.35 The Six Million Dollar Man. 11.00 Police Story. 11.55 Southern News Extra. 12.05 a.m. Unnamed World.

TYNE TEES

9.25 a.m. Starting Point. 8.05 p.m. The FBI. 11.00 Sportstime. †11.30 The Friday Night Film: "The Mummy" starring Boris Karloff. 12.40 a.m. Late News Headlines. 12.45 Open Bible.

ULSTER

6.30 p.m. Summer Reports. 7.30 Kung Fu. 8.32 Romany Jones. 11.00 What's It All About—Church Report. 11.30 The Odd Couple.

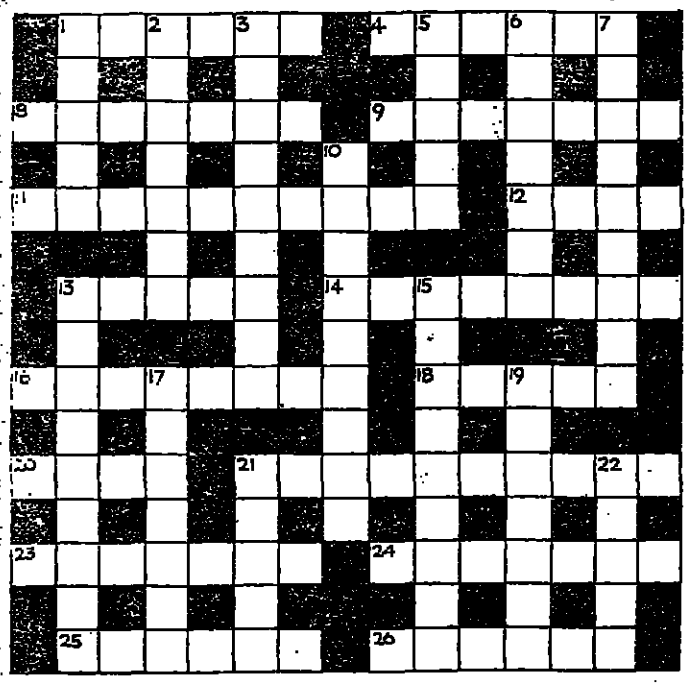
WESTWARD

8.32 p.m. Romany Jones. 11.00 Westward Late News. †11.03 The Friday Film: "The Long Haul" starring Victor Mature, Diana Dors and Patrick Allen. 12.35 a.m. Faith for Life.

YORKSHIRE

8.05 p.m. The FBI. †11.30 The Friday Night Film: Peter Vaughan in "Smokescreen."

F.T. CROSSWORD PUZZLE No. 2,796



ACROSS

1 Order that is for a better man (6)
4 Complaint about a maths problem (6)
8 Result abroad takes care of yours truly (7)
9 Mistake may cause a rum tear (7)
11 Keep quiet over urge to have progressive card party (5, 5)
12 Victoria Line going to Bath East (4)
13 Accountant going to South Carolina with a Roman conspirator (5)
14 Correspond with chap meeting credit trader (8)
16 Run down and visit children (2, 2, 4)
18 Headpiece to quote incorrectly (5)
20 Beginning of March before entering lake (4)
21 It ties up when 100 adore to get married (5, 5)
23 Dwarf husband has one family (7)
24 Study journey in outline (7)
25 Time to form cricket team (6)
26 Don't despair of Ursa Major (4, 2)

DOWN

1 Sharp encounter with sweeper up (5)
2 Expenses incurred in changing son's cot (7)
3 First person is to act as go-between without delay (9)
5 Suitable material for swell they say (5)
6 Mend your old-fashioned well (7)
7 A stupid speed to indicate (9)
10 Suitable for being left out of team when exhausted (3, 2, 4)
13 Play ball with what tubby expert consumed (9)
15 Inflamed male has a few to become supple (9)
17 United over season past (3-4)
19 English composer providing cover for those in Beds (7)
21 Wrong to be caught by frost (5)
22 Idiot who gets the chop (5)

SOLUTION TO PUZZLE No. 2,795

MULBERRY BENDER
A I Q E N U E
RESOUNDS STORES
T P I A R A T
EVENTIDE PASTEL
N D Y M E N I E
KINGSCROSS
I P D R G E N S
MASTICATOR
M A S L N C S A
ALLOTS SCRAPPED
N M A H V R E
ELISSA WISEGUYS
N S T P A C T
TOTNES ASITWERE

RADIO 1 247m

(S) Stereophonic broadcast

5.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 p.m. David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 Roskn's Round Table. 7.00 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House in Exeter (S) including at 10.30 Waggoners' Walk. 11.30 Jean Challis (S) including at 1.02 p.m. Motor Cycling: The Isle of Man TT. 1.50 Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland) 2.45, 3.45 and 4.45 Sports Desk, and 3.15 The Oaks. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Just for Fun. 7.30 Cricket Scoreboard. 7.32 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 8.32 Friday Night Is Music Night (S). 10.02 Sports Desk. 10.05 Len Jackson (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only
Referendum results will be given on Radio 3 between programmes

7.00 a.m. News. 7.05 Overture: Haydn, J. C. Bach, Mozart (S). 8.00 News. 8.05 Morning Concert: Beethoven, Mendelssohn, Johann Strauss (S). 9.00 News. 9.05 This Week's Composers: Balakirev and Borodin (S). 9.50 BBC Northern Ireland Orchestra (S). 10.30 Piano Recital, part 1: Rameau, Beethoven, Mendelssohn (S). 11.15 Words . . . (talk by David Martin). 11.20 Recital, part 2: Chopin, Scriabin, Ravel, Mozart/Liszt. 12.05 p.m. Spohr: Duo Concertate in E minor. 12.25 Midday Concert, part 1: Mendelssohn, Hindemith (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2: Bruckner (S). 2.30 Handel: The Chandos Anthems (S). 3.30 Maderna and Nono, songs (S). 4.35 String Quartets (S). 5.20 Great Pianists. ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Study on 3. 7.30 BBC Symphony Orchestra in Japan: Weber, Mozart (S). 8.10 Emerson on the English. 8.20 Concert, part 2: Tippett, Elgar (S). 9.20 Music Now. 10.00 Haydn and Beethoven (S). 11.10 Auf Die Ruhige Nachtzeit (Upon the peaceful night-time). 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk and 7.35 Today's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Short Story. 9.00 News. 9.05 Voice of the People. ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. 11.05 Melodies Old and New: (‡ until 11.40) including early Referendum results. 12.00 News. 12.02 p.m. Europe: Yes or No? ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45-5.00 Europe: Yes or No? (‡ from 2.00 p.m.) including News at 2.00, 3.00 and 4.00. 3.00 News (VHF only). 3.05 Afternoon Theatre: (VHF only): "The Change in Harry." 4.00 News (VHF only). 4.05 Any Answers? (VHF only). 4.35 Story Time: (VHF only). ‡5.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.00 News followed by Europe: Yes or No? 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 News followed by Europe: Yes or No? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight: Radio 4s International Business Report Market Trends. 11.30 Borge on . . . Strauss (S). 11.55 News.

For Schools: VHF only—10.00 a.m.-11.40 a.m. and 2.00-3.00 p.m.

BBC Radio London 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 3.32 The London Gardener. 3.45 The Jobfinders. 4.03 Lobby. 4.32 Home Run including London News Desk at 5.00, 6.00, 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 London Country. 10.03-2.00 a.m. Popshop.

London Broadcasting 261m and 97.3 VHF

6.00 a.m. "AM"—Referendum results day special introduced by Douglas Cameron and Tony Tucker. 10.00 Open Line—London talks to George Gale. 12.00 Europe Newswatch—a 7½ hour Referendum special. 7.30 p.m. Referendum Report. 9.00 Love in Europe. 1.30-6.00 a.m. Nightwatch—News every half-hour.

Capital Radio 194m and 95.8 VHF

6.30 a.m. Kenny Everett with 3½ hours of music and madness. 9.00 Michael Aspel with music, Features, Advice and Swop-shop. 12.00 Cash on Delivery with Tommy Vance and Music. 3.00 p.m. Roger Scott with Music. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

ENTERTAINMENT GUIDE

OPERA & BALLET

COVENT GARDEN. 240 1911. THE ROYAL OPERA. Tonight & Tue. 7 La forza del destino. Tomor. 7.30 Il barbiere di Siviglia. Cond. Atherton. Mon. & Thur. 7.30. Madama Butterfly. Wed. 6.30 Die Frau ohne Schatten. Seats available.

GLYNDEBOURNE FESTIVAL OPERA Until August 6 with the London Philharmonic Orchestra. Today, Sun. & Tues. Yevgeny Onyegin (Tchaikovsky). Tomorrow, Mon. & Wed. The Cunning Little Vixen (Janacek). Tkts. £11.90 & £10.80. For Mon. 9 any tkts left unsold at 10 a.m. Sunday offered at 2 for the price of 1. Box Office: Glyndebourne, Lewes (Ringmer 812411) & Ibbs & Tillett, 124, Wigmore Street. 01-935 1010.

NEW LONDON. 405 0072. Until June 21—Now Booking. EKATHRINA SOBECHANSKAYA with THE TROCKADERO GLOXINIA BALLET COMPANY—the all male ballet co. PROG 1: Today 5.0. tomor. 8.30. Mon., Thur. 8.0. PROG 2: Tonight 8.30. tomor. 5.0. Tues., Wed. 8.0.

SADLER'S WELLS THEATRE, Rosebery Ave E.C.1. 837 1672. Until tomor. THE TOKYO BALLET. Tonight, 7.30. tomor. 2.30 & 7.30. The Nutcracker.

SADLER'S WELLS THEATRE. 837 1672. NEDERLANDS DANS THEATER. June 9-28. 4 Programmes. 11 New Ballets.

THE ROYAL BALLET AT BATTERSEA PARK. 240 1911. Tonight 7.30. tomor. 2.30 & 7.30: Concerto, Giselle. Mon. 2.30 & 7.30: Swan Lake. Tue. & Wed. 7.30. Thur. 2.30 & 7.30: Les Sylphides, Prodigal Son, Elite Syncopations. Seats avail. tonight, tomor mat. & Mon eve. Bkgs. day of perf. 01-240 1066 until 5 p.m., then at Battersea Park from 6 p.m.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs., Sat. 3.00. "JEAN SIMMONS returns in triumph." E.N. HERMIONE GINGOLD "Fabulous woman." D. Mirror. JOSS ACKLAND "Beautiful performance." Observer. A LITTLE NIGHT MUSIC. "Music That Ravishes The Senses. A Show Kissed With Genius." Gdn.

ALBERY. 836 3878. Red price prevs. Evenings at 8. Sats. 5 and 8.15. Opens June 16 at 7. JUDI DENCH, DANIEL MASSEY. THE GAY LORD QUEX with SIAN PHILLIPS. Directed by JOHN GIELGUD.

ALDWYCH. 836 6404. Return by public demand of RSC in Tom Stoppard's award-winning TRAVESTIES. "IT IS A CHAMPAGNE COCKTAIL." S. Tel. (Evgs. 7.30. Mat. tomor. and Wed. June 11 at 2.30—ends July 12). Recorded booking info. 836 5332.

AMBASSADOR'S. 836 1171. Mon.-Thur 8.15. Fri. 5 8.15. Sats. 6.30 and 8.45. £5 Theatre and Dinner £5. THERE GOES THE BRIDE. Top price ticket plus 3-course set dinner at a delightful nearby restaurant with wine, coffee, service and VAT ALL INCLUDED £5 per head. Prices without dinner £2.50, £2.00 and £1.00.

AMBASSADOR'S. Also Late night Review at 11.15 p.m. to 12.15. (All seats £1.) HINGE AND BRACKET. SIXTY GLORIOUS MINUTES.

APOLLO. 437 2663. Evenings 8.0. Mats. Thurs. 3.00. Sats. 5.00 and 8.30. MARGARET LEIGHTON, ALEC GUINNESS in A FAMILY AND A FORTUNE.

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj. Leic. Sq. Underground). Instant temp. membership available 15p. Evenings Tues. and Sun at 8.00. King's Head Theatre production KENNEDY'S CHILDREN. "The PLAY IS FANTASTIC." Observer.

CAMBRIDGE. 836 6056. "MUSICAL HIT OF THE SEASON." E.N. Michael DENISON, Derek GRIFFITHS, Val PRINGLE, Norman BEATON in THE BLACK MIKADO. "TERRIFIC ENTERTAINMENT." S. Exp. Evgs. 8.00. Thurs. Sat 5.30 and 8.30. NOTE: New perf. times from Mon. Evgs. 7.30. Mat. Tu., Sat. 2.30.

CHICHESTER. 0243 86333. Tonight and June 7, 9, 11 at 7.0 CYRANO DE BERGERAC …

GREENWICH. 858 7755. CHARADES. Tonight 8.0. Tomor. 2.30 & 8.0. THE BORAGE PIGEON AFFAIR.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar-C. P. Snow's THE CASE IN QUESTION. "An excellent evening's entertainment. An enthralling story." —Harold Hobson, Sunday Times.

HER MAJESTY'S. 930 6606. Opens tomorrow 8.0. Subs. Evgs. 8.0. Fri., Sat. 6.0 and 8.40. NOW BOOKING. HAIR.

KING'S ROAD THEATRE. 352 7488. Mon to Th. 9.00. Fri. Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. BEST MUSICAL OF THE YEAR. Evening Standard Drama Award '73.

LYRIC. 437 3686. Evenings 8.0. Fri. 3.30. Thurs., Sat. 5.00 and 8.30. JOHN, PAUL, GEORGE, RINGO . . . AND BERT. Evening Standard Award—BEST MUSICAL OF THE YEAR. Plays and Players Award—BEST MUSICAL OF THE YEAR.

MAYFAIR. 629 3036 and 493 2031. Evenings 8.15. Sat 5.30 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER. "Michael Frayn's comedy is a delightful experience." Evening Standard.

MERMAID. 248 7656. Food 248 2835. Evgs. 8.00. Mat. Thur., Sat. 5.00. Bernard Shaw's THE DOCTOR'S DILEMMA. LAST 2 WEEKS. Opening June 19: THE MERRY WIVES OF WINDSOR. FULL DINNER, WINE AND BEST THEATRE SEAT FOR £4.95.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Ton't & Wed. at 7.30. Tomorrow & Thursday 2.15 & 7.30: Harold Pinter's NO MAN'S LAND. Monday & Tuesday at 7.30: HAPPY DAYS. Some seats held for sale day of performance from 10 a.m.

OPEN AIR, Regent's Park. 01-486 2431. New Auditorium opening delayed. THE TAMING OF THE SHREW plays Round House until July 5. A MIDSUMMER NIGHT'S DREAM opens here July 16.

OPEN SPACE. 580 4970. Temp. m'ship. Ntly. 8.0 (ex. Mon.) MEASURE FOR MEASURE Shakespeare/Marowitz. "A fascinating exercise in textual tampering." D. Tel.

PALACE. 437 6834. Mon.-Thurs. 8.00. Fri. and Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR.

PALLADIUM. 437 7373. Evenings 7.30. Mats. Wed., Sat. 2.45. TOMMY STEELE in LONDON'S MOST BEAUTIFUL MUSICAL HANS ANDERSEN. "SUMPTUOUS SPECTACLE, SPLENDID SONGS, IT'S WONDERFUL." Dly. Exp. SEATS AVAIL. THEATRE AND AGENT.

PHOENIX. 01-836 8611. Last week. Tonight 8.0, tomor. 5.30 & 8.30. MIRIAM KARLIN in DIARY OF A MADAME. ". . . UNFORGETTABLY TOUCHING, AS WELL AS FUNNY." D. Tel.

PHOENIX. 836 8611. Comm. June 10. Evenings 7.45. Sat. 5.45 & 8.45. GODSPELL. "Is MAGNIFICENT." Sunday Times. Special late night perf. Friday 10.45.

PICCADILLY. 437 4506. Evgs. 8. Sats. 5.30 and 8.30. Matinees Wed. at 3. JIMMY JEWEL, ALFRED MARKS in NEIL SIMON'S THE SUNSHINE BOYS. "Audience rocking in their chairs."—D. Express. "A laugh a minute." D. Tel. "Continuous laughter." E. Std.

PRINCE OF WALES. 930 8681. Evenings 8.00. Mats. Wed., Sat. 3.00. JAMES STEWART in HARVEY. "Heartwarming triumph." Ev. News. LIMITED SEASON ONLY.

QUEEN'S. 734 1166. Red. price prevs. June 10, 11, 13, 16, 17 at 8.0 …

VAUDEVILLE. 836 9988. Evenings 8.0. Mat. Tues. 3.00. Sats. 5.30 and 8.45. MILLICENT MARTIN, AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR. Best Comedy of Year. E. Std. Award 73.

VICTORIA PALACE. 834 1317. (No perfs. Mondays). Tues., Fri. … Wed., Thurs., Sat. 6.0 and 8.45. MAX BYGRAVES in "SWINGALONGAMAX." New Song and Laughter Spectacular with Rogers and Starr, Bobby Crush, Denise Keene and Happy and Full Co.

WHITEHALL. 930 6692-7765. Evs. 8.30. Wed and Sat. 6.15 and 8.45. PAUL RAYMOND presents THE CONFESSIONS OF A SEX STAR. SNATCH 69. FANTASTIC, HILARIOUS EROTIC ENTERTAINMENT.

WIMBLEDON. 01-946 5211. ACTOR'S COMPANY SEASON. Opens Monday at 7. Subs. 7.30. THE PHANTOM OF THE OPERA.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID featuring JOHN INMAN—"ARE YOU BEING SERVED?" Twice Nightly at 7.00 and 9.00.

WYNDHAM'S. 836 3028. Evenings at 7. Sat. 5.00 and 8.30. Mats. Wed. 3.00. "PAUL SCOFIELD as Prospero SHOULD NOT BE MISSED ON ANY ACCOUNT." B. A. YOUNG, Financial Times. (Limited Season) THE TEMPEST. Last Weeks. Must Close July 12.

YOUNG VIC (by Old Vic). 928 6363. Tnt. 8 R & G ARE DEAD.

CINEMAS

ABC 1 and 2 Shaftesbury Ave. 836 8861. Sep. Perfs. All seats bkble. 1: THE GODFATHER PART II (X) Wk and Sun 2.45, 8.00. 2: MURDER ON THE ORIENT EXPRESS (A) Wk and Sun 2.30, 5.30, 8.30.

CASINO. 437 6877. MONTY PYTHON AND THE HOLY GRAIL (A). Progs. at 1.45, 3.20, 5.40, 8.05. Late Sat. 11.30.

CURZON, Curzon Street, W.1. 499 3737. ALICE DOESN'T LIVE HERE ANYMORE (AA). Progs at 1.55 (not Sun.), 4.0, 6.15, 8.30. Late show Sat. 11.0.

LEICESTER SQUARE THEATRE. 930 5252. See! Hear! Feel! TOMMY (AA). The film event of the Year. Sep. perfs. 1.20, 4.30, 8.00. Sun. 4.30, 8.00. Late show Fri. & Sat. 11.15. All seats bkble.

ODEON HAYMARKET (930 2738-2771). Warren Beatty, Julie Christie, Goldie Hawn in SHAMPOO (X). Sep. perfs. Wk and Sun. 1.15, 4.45, 8.15. Shampoo at 1.55, 5.30, 8.55. Late show Fri. and Sat. 11.45. All seats bkble.

ODEON MARBLE ARCH (723 2011-2). Streisand and Caan FUNNY LADY (A). Sep. perfs. Wk. 2.45, 8.00. Sun. 4.00, 8.00. Late show Sat. 11.45. All seats bkble.

ODEON LEICESTER SQUARE (930 6111). PAPER TIGER (A). Cont. Progs. Wk. 2.00, 3.45, 6.00, 8.15. Sun. 3.45, 6.00, 8.15. Late show Sat. 11.15.

ODEON ST. MARTIN'S LANE (836 0691-1811). Claude Lelouch's AND NOW MY LOVE (Toute Une Vie) (X). Sep. perfs. Wk. 1.00, 4.30, 8.00. Sun. 4.30, 8.00. Late show Sat. 11.30. All seats bkble.

PLAZA 1 and 2 Lower Regent St. All seats bookable. THE GODFATHER PART II (X). Daily including Sundays. PLAZA 1 Progs 2.45, 7.30. Late Show Sat 11.45. PLAZA 2 Progs. 2.15, 7.15. Late Show Fri. and Sat. 11.30.

PRINCE CHARLES, Leic. Sq. 437 8181. 9th Sensational Month. EMANUELLE (X). Sep. Perfs. Dly. (inc. Sun.) 2.45, 6.15, 9.00. Lte. Show 11.45 Fri. and Sat. Seats Bkble. Lic'd Bar.

SCENE 2, Leic. Sq. (Wardour St.) 439 4470. Cont. Perfs. Dly. from 12.30. Lte. Show 12.05 (inc. Sun.) YOUNG FRANKENSTEIN (AA) …

هكذا في الأصل

Shaw

As You Like It

by B. A. YOUNG

The Dolphin Theatre Company is lucky to have two good comics to enliven those tedious set-piece speeches with which Shakespeare sought to brisk up an otherwise pedestrian comedy ("*As You Like It*, meaning that it is not as I like it," is the thought Shaw attributed to the Bard). John Shrapnel's black-bereted, bespectacled Jacques could have come out of the Fitzroy in its heyday, sneering over his snuffy black coat at the simple pleasure of the unenlightened. It is more than he can do to make "All the world's a stage" sound like anything but a last-minute filler, but as a rule when he is on stage he brings an extra crackle to the air. As Touchstone, Tony Haygarth relies on a repertory of gestures, often rude, and a cheeky delivery that makes his lines sound as if they had funny obscenities concealed in them. He is dressed as a chauffeur, and makes this his role rather than the paid court comic.

A chauffeur is not anachronistic in John David's production, for he has done it in modern dress. He should have learnt from the recent RSC production that this imposes a great strain on the play, since a girl of our time dressed as a boy still looks like a girl even if, as Susan Hampshire does, she stuffs her hair into a gorblimey cap. The difficulty is accentuated when Audrey also comes on dressed as a boy, though never taken as anything but a girl by anyone. Mr. David's notion reaches further limits of eccentricity when he makes the usurping Duke (Antony Brown) an Army General, with all his attendants in battledress. On the other hand, Karen Mills, the designer, has had to emphasise the femininity of Rosalind and Celia by giving them long Edwardian dresses in the first act.

Neither Susan Hampshire as Rosalind nor Pip Miller as Orlando is entirely successful, for neither of them is a natural comic. In a production of this kind, where laughs are unashamedly mined for with comic business, it is not enough to be handsome and romantic. Orlando, for instance, could have got a lot of fun out of his armed hold-up of the exiled Duke's *déjeûner sur l'herbe*, but he plays it for real. Miss Hampshire always looks nice, though a gorblimey doesn't honestly suit her; but there is a white, unresonant quality in her voice that mars her speaking of verse, and she does not yet extract enough feeling, either comic or romantic, from the lines. I say "yet" because I found the same shortcoming in her Katharine earlier but have been told that it matured greatly as the run continued. Jennie Stoller's Celia, a knowing young lady, would have been the leader of their little excursion from first to last.

Mr. David's production is restless. He uses an empty stage (shaded, as soon as we reach Arden, by a pretty floral screen) with props brought on and off as needed. He needs two stone dogs and two stage-cloth pathways for his short first scene, which are not seen again; later he has a stage-hand bring on a stone bench for the minute scene in which Orlando and Adam leave the court, and it is never used at all. Better far to leave the stage empty, as he does for all the forest scenes. On the credit side are some little production numbers, such as the quintet singing "It was a lover and his lass," in which Vivienne Martin's Audrey, looking and sounding like a fugitive from *Oklahoma!* captivated me.

The oldsters do nicely. Peter Howell is a naturally aristocratic Duke, too upper-class to wear jeans under his Crombie coat (though Robert East's Oliver, immaculate at home, slips into jeans the moment he leaves for the forest). It was good to see Noel Howlett as old Adam, also immaculate, perhaps the butler to old Sir Rowland; a shame he had to die so soon. Charles the wrestler (Leslie Perrin) is a sergeant in (I think) the R.E. when we first see him; the fight, arranged by Ian McKay, is ornamental rather than convincing.

This year's Proms

The 1975 Proms begin on July 25 with Mahler's Eighth Symphony conducted by Pierre Boulez. This season coincides with Boulez's final concerts as Chief Conductor of the BBC Symphony Orchestra (and his 50th birthday, incidentally); he will also conduct Schönberg's *Moses and Aaron* and his own largest work *Pli selon pli* (July 27 and 30 respectively). In addition, Boulez will give one concert with the New York Philharmonic (on an extensive European tour), combining Elliott Carter's Concerto for Orchestra and Mahler's Ninth Symphony (August 30). The other visiting orchestra this year is the Cleveland with Lorin Maazel, including Bartok's *Miraculous Mandarin* suite and Beethoven's *Eroica*. The Last Night Party (September 20) will again be hosted by Norman del Mar, inserting into the traditional fare Delius' *Eventyr*, Vaughan Williams' *Tudor Portraits*, and the suite from the ballet *The Triumph of Neptune* by Lord Berners.

Glyndebourne gives only one Prom this year, Haitink conducting the *Rake's Progress* (August 7). From Covent Garden, Colin Davis brings *Peter Grimes* with Jon Vickers as Grimes and Heather Harper as Ellen (September 3). The English National Opera mark the anniversary of Johann Strauss (junior) with *Die Fledermaus* conducted by Mackerras and led by Valerie Masterson. (The other anniversary composers are Bizet and Ravel, but neither receive operatic attention.) Kent Opera contributes Monteverdi's *Poppea*, conducted by Roger Norrington (September 11) and the London Sinfonietta a staged performance of Stravinsky's *Soldier's Tale* coupled with Walton's *Façade* (August 3).

Other large scale works included this year are the B minor Mass (conducted by Christopher Seaman (August 19). Beethoven's Ninth on the penultimate night, this year conducted by James Loughran (September 19): also Henze's *El Cimarrón* under the composer's direction at the Round House (August 11). Two other concerts take place at the Round House: a London Sinfonietta programme of Musgrave, Maderna, and Gerhard (September 1); and a Matrix programme including the première of a new work by Simon Bainbridge (September 15). Westminster Cathedral will have two concerts: John Eliot Gardiner and the Monteverdi Choir, ranging from Gabrieli and Gesualdo to the Bruckner motets and Verdi Te Deum (July 31); and the BBC Singers with the 40-part motet *Spem in alium* by Tallis, the 16th century Taverner's 6-part *Magnificat*, and the long choral work *Ultimos Ritos* by the young British composer John Tavener.

The BBC has commissioned a cello concerto from Arnold Cooke (August 6), an orchestral work from Edward Cowie (September 2), and a choral one from David Beaford (August 8).

Early music again gets a good airing, particularly in the Kilburn church of St. Augustine, where the Early Music Consort give a 16th century programme centred round Josquin (August 11), the BBC Northern Singers a Byrd and Palestrina combination (September 1), and the Choir of St. John's, Cambridge, sing Tye, Locke and Purcell before Tippett and Britten (September 15).

Of the 57 Proms, 22 will be played by the BBC Symphony Orchestra. Conductors appearing during the season include Aaron Copland with an American programme (September 16); Sir Adrian Boult in three concerts, including Vaughan Williams' Fifth Symphony, Brahms' Fourth, and Elgar's Introduction and Allegro; Claudio Abbado with the International Youth Orchestra (August 16); and Neville Marriner with the Academy of St. Martin's. Out of the total of 225 works played during the season, 64 will be by British composers.

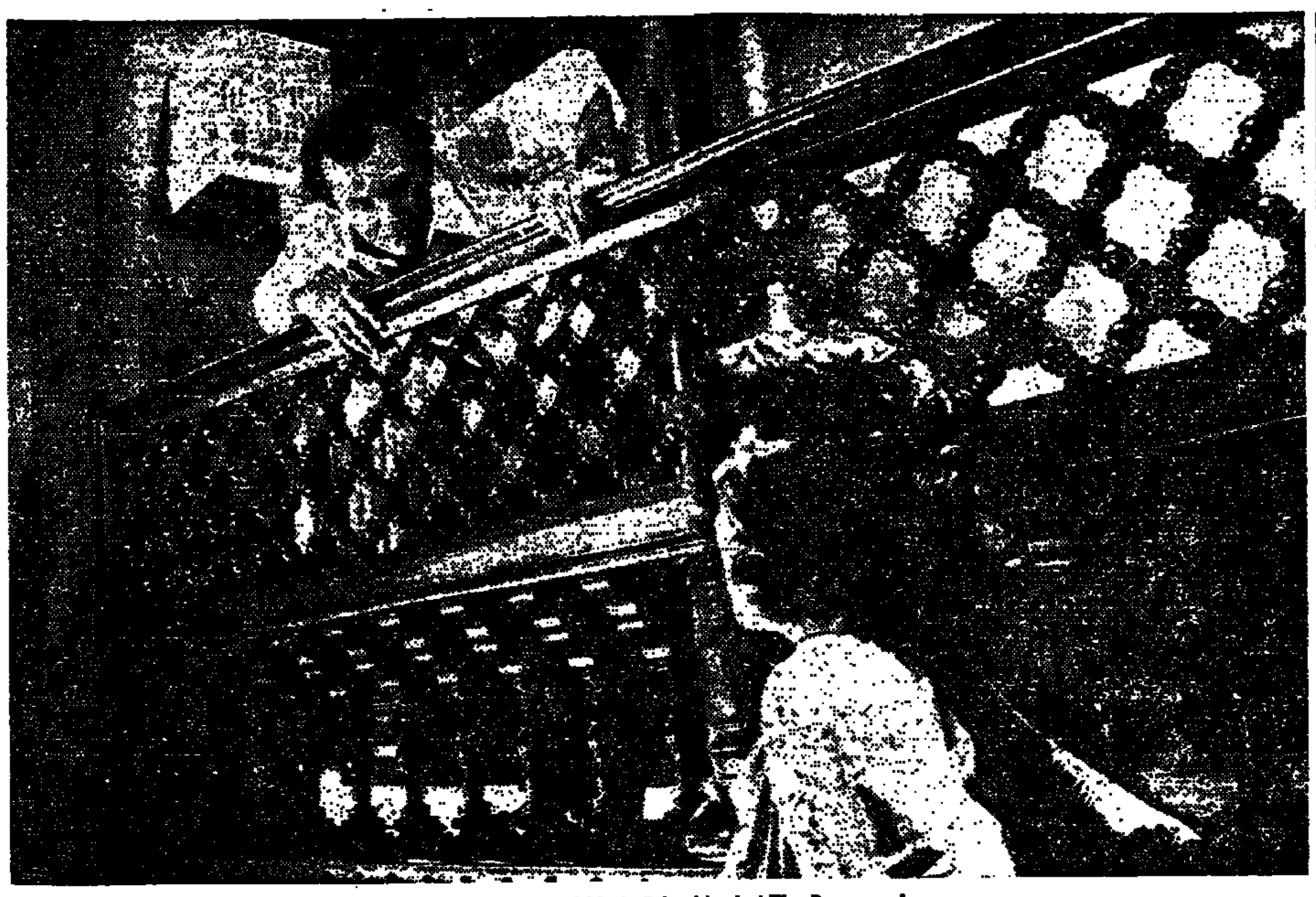
G.W.

Summer plans for Greenwich

Ewan Hooper, Director of the Greenwich Theatre, has announced that Jonathan Miller will direct *All's Well That Ends Well* and *Measure for Measure* at Greenwich this summer. *All's Well* opens on Thursday, July 10, and will be joined by *Measure for Measure* on Wednesday, August 18. The two plays will then run in repertoire until Saturday, September 27.

Zoe Dominic

Geraldine McEwan in 'Oh! Coward!' the new revue based on Noël Coward's words and music, which opened last night at the Criterion



Jack Nicholson and Maria Schneider in 'The Passenger'

Cinema

Antonioni's brain-teaser

by NIGEL ANDREWS

The Passenger (A)
Ritz and ABC Fulham Road
Alice Doesn't Live Here Any More (AA) Curzon
The Cars That Ate Paris (X) Rialto
Jane ICA

There are some films one is only too thankful to be asked to sit through twice before writing about them. A first viewing of *The Passenger* at Cannes left me; and most of the large festival audience, totally bewildered. It seemed to everyone an Antonioni brain-teaser that for once had nothing below the surface and everything above: pretty travelogue photography and cloak-and-dagger thriller elements sorting oddly with a philosophically complex plot about a TV reporter who tries to escape the past and its commitments by changing identity with another man.

The Passenger has now reached London and it seems a different film. Nothing to do with a fractional cut in the running length since it was shown at Cannes—everything to do with the response one brings to a second viewing of this mysterious and magically intriguing film.

To summarise the story is perhaps to play into Antonioni's mischievous hands (nothing counts less than the film's "plot"). But the bare bones are worth setting out. A reporter travelling through Africa (Jack Nicholson) meets a fellow hotel guest with a strong physical resemblance to him. When the man dies, the reporter swaps passports and identities with him. Self-described as a "businessman," the dead man turns out to have been an arms runner, supplying guns to the liberation army of a small African country. Accepting the responsibilities of his new identity, Nicholson travels across Europe trying to fulfil the schedule of meetings scribbled in the dead man's diary: and also trying to evade the attentions of his wife who, smelling a rat, has hotfooted it from London to bring her errant husband back from his elaborate masquerade.

Judge the story as a story, weighing it for plausibility and narrative excitement, and you will wonder how Antonioni and his fellow screenwriters Mark Peploe and Peter Wollen ever got the film beyond the script stage. The plot moves quickly, but it moves quickly nowhere in particular. By the end of the film Nicholson and Maria Schneider (the pretty, mysterious travelling companion he has picked up in Barcelona) have reached the end of the road, but there is no tying up of loose ends, no decisive showdown as Nicholson's various pursuers converge on him in a lonely Spanish hotel. The last act of the film is Nicholson's suicide. But the last shot of the film—with what strikes one on first viewing as stunning irrelevance—is of a car from a driving school disappearing down the empty road into the sunset.

Antonioni has been with us long enough to deserve our patience. *The Passenger* is not his easiest film, or his least exasperating; but it is one of his best, and it deserves to be judged on the level at which it was written—as a parable as much as a story.

The most myopic of filmgoers will guess that there is symbolism at work here, and the film's otherwise puzzling title *The Passenger* gives us the clue. The film is about identity: and what is identity but a vehicle, a compartment in which man travels about? At once protecting and burdening him, it is built from the trappings of his past, his home, his environment. In a bureaucratic ever-watchful world, the only way that Nicholson can slough his own identity is by trading it in for another, by travelling around the world in a "hired" vehicle.

Far more than a mere brain-teaser, the film is an elaborate and richly ironic exploration of the labyrinths that man has everywhere built himself to live in. The ornate rococo church in which Nicholson has his first arms-dealing assignation: the mirrored opulence of the Spanish hotels: the winding stairs and undulating rooftops of a Gaudi apartment block in Barcelona. Man is his own most ingenious and intrepid hunter, forever trapping himself in fussy and claustrophobic cages.

The extraordinary thing about the film is that Antonioni has packed so much richness of meaning into the framework of a superficially bland, eye-catching chase thriller. Unlike his Italian films, and more purposefully than *Blow-Up* or *Zabriskie Point*, Antonioni uses the devices and conventions of commercial cinema as a beguiling and mischievously reassuring gift-wrapping. The orthodox thriller expectations make the film's moments of psycological revelation doubly telling: the scene, for example, in which Maria Schneider asks Nicholson what he is running away from, and he, at the wheel of their car, simply tells her to turn round and look: at the long stretch of receding road, at the receding trees, at the receding sky, at the receding day . . . . The ideal of Nicholson's hero—as of every Antonioni protagonist before him—is to "throw away the past day by day." *The Passenger* is every inch an Antonioni film, the most demanding and to my mind the most richly rewarding that he has yet made.

*

Two months ago Ellen Burstyn became the first American actress ever to win both the Oscar and the Emmy awards for best performance in the same year: and no one who sees her performance in *Alice Doesn't Live Here Any More* can doubt that she deserved the honour. Showbiz awards can usually be taken with a generous pinch of salt, but for once recognition has gone to the right actress at the right time and for the right film.

In an age starved of good dramatic roles for women, this film's portrait of a 32-year-old American housewife who loses her husband in a motor crash and sets about thereafter gradually picking up the pieces of her life to re-shape them into a stronger, happier whole, is a real winner. Miss Burstyn's performance — funny, sad, fragile, tough and humorously optimistic by turn—is the best thing she has done: and Martin Scorsese, whose last film was the luridly effective *Mean Streets*, directs with a light, pacy touch that does justice to the vintage Hollywood tradition invoked in the film's '30s-style credit titles.

The film begins by sketching in the fears and miseries of Miss Burstyn's married life to a bullying, sarcastic husband (Billy Green Bush); but after his death the story opens out to become a kind of odyssey. Accompanied by her precocious 12-year-old son, our heroine travels across America in search of a job, a home, and a kind of independence. After working as a singer in a bar in Phoenix, she moves on to Tucson where she settles for a job as waitress in a hamburger café.

Enter Kris Kristofferson as a handsome, bearded ranch owner (who also plays the guitar) and the story moves towards a tearful, happy-ever-after denouement which one can imagine no other film getting away with without seeming coyly soft-centred. The answer lies partly in Miss Burstyn's performance, partly in the way a witty script, by Robert Getchell, is staged with real expertise and bravura by Scorsese. (Is he the first director to bring the expressionist distortions of the fish-eye lens to situation comedy?) In an age when American film comedies seem increasingly meagre and derivative, *Alice Doesn't Live Here Any More* is a real original: fresh, fast and funny, with a hard core of credible human feeling at the centre.

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Surrealism comes to the Australian cinema in Peter Weir's *The Cars That Ate Paris*, an engaging fable about a small New South Wales town that lives off the cars it lures to destruction off the main highway, and finally dies at their hands when the cars come to rebellious life in the final scene. The story meanders a little too slowly and shapelessly for my taste, and apart from John Meillon's splendidly nasty and hypocritical mayor character interest is somewhat thin on the ground. But the film gets by on its nicely irreverent digs at the Australian way of life, and on its even nicer touches of flamboyant sci-fi fantasy.

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At the ICA you may see *Jane*, a documentary portrait of Jane Fonda made some years ago by D. A. Pennebaker, the father of the American cinema verité movement. A quirky, affectionate look at the actress in her pre-militant days, the film follows the fortunes of a Broadway comedy in which she appeared, showing us some of the labour pangs that went on — both on stage and behind the scenes — when this particular star was being born. Well worth a look, the film shows at the ICA to-day.

Sadler's Wells Theatre

Orient/Occident

by CLEMENT CRISP

The Tokyo Ballet invited our own Ronald Hynd to create a work for their London season, and Mr. Hynd has hit upon the idea of Marco Polo's travels as a tribute to the occasion. His *Orient/Occident*, seen here for the first time on Wednesday, uses Xenakis' score of the same name, and takes its development from the sonorities of the piece. Called a "fictitious journey" in the programme, the trip certainly casts some unusual lights on the Venetian's travels.

A decorative leit-motif is the vast and gauzy train of a Chinese Princess whom we see at the ballet's start: she is the inspiration for Polo's journeyings, and the mileage of her train serves as an indication of the immense distances that Polo must traverse. The score has evoked for Mr. Hynd ideas of his hero beset by beasts, perched in a desert, climbing mountains—all cleverly suggested by a corps of eight men. The crux of the piece is Polo's capture by a Khan, whose attentions are impassioned, very physical, and wildly resented by the traveller, who must assuage his sufferings with the golden coins and golden jacket that he receives for his pains.

Sent on his way, he reaches China, where he finds the populace uninterested in anything save his wealth: stripped of that he is left at the last disillusioned and alone. The piece is odder than one might expect, but well made, and well danced by the company. Echoes of *Shadowplay* seem to inform the scene with the lustful Khan, but Mr. Hynd's craft clothes the action in bold imagery—I particularly liked the suggestion of a crocodile's eager jaws formed by one of the men's legs. Strong performances from Shiro Mizoshita as Marco Polo, and Makoto Fukuyama as the Khan.

The evening had begun with a grab-bag of divertissements: a Strauss waltz like a mad fondant, and an improbable *Pas de Quatre* that hoped we would think it was from *The Sleeping Beauty*. Most interesting was a version of the corn-field duet from *La Fille mal Gardée*. Not Ashton: certainly not the Dauberval and Hérold attributions that the programme proclaimed but, I would hazard, a survival from Gorsky's editing of the Petersburg staging by Petipa, with music by Hertel and Minkus.

About the closing *Concerto* by Felix Blaska, I can but wonder what crimes have been committed by Prokofiev's second piano concerto that it should be so grossly abused. Sixteen men, sixteen women, plus Miss Umeko Wainai and Mr. Hideteru Kitahara, were involved in a gymnastic display remarkable both for the company's discipline in ensemble and for the witless evolutions they were called upon to perform.

Festival Hall

Arrau

by RONALD CRICHTON

Claudio Arrau's playing is soft-edged even in music on a heroic scale. This does not mean that the thought behind the playing is small, still less that the technical equipment is inadequate. It is a question of approach, of manners, almost of tailoring. Arrau is the opposite of some hard-edged pianists who use that facet of style as a shield to cover an interior emptiness. One may perhaps risk an analogy with painting. Soft-edged painting using *sfumato* is not necessarily weaker in form than hard-edged, where shapes and colours do not flow into one another.

The crown of Arrau's recital of Beethoven and Brahms Sonatas on Wednesday was the former's *Appassionata*, where the felty tone did not diminish the grandeur of conception, the surge, rise and fall of big phrases, the speeds which allowed flexibility without weakening the pulse of the music. Nor did this tone prevent a wide range of colour—as the recurring, much-varied left-hand triplet figures of the first movement proved. The coda of the finale was a whirlwind the more forceful for being firmly under control.

Before the *Appassionata* came op. 81a, *Les Adieux*, a lesser work and a lesser performance, though with some of the qualities that made Arrau's playing of the bigger sonata so satisfying. Again there was flow, warmth, rhythmic impulse strong yet flexible. But the finale can take more charm, period charm if you like, admission of the kind of picturesque virtuoso music that owes much to Beethoven (he might not have been altogether pleased by the compliment), for example, the last section of Weber's *Konzertstück*, which illustrates a similar emotional situation.

The F minor Sonata of Brahms after the interval was given a loose rein. There were leonine moments but they were wayward. Arrau put so much feeling into the slow movement that the focus was blurred, except in the nobly-spanned *andante molto* sections. For the rest there was more looking back at Schumann than forward to the later Brahms.

Yvonne Arnaud, Guildford

The Way of the World by GARRY O'CONNOR

Laurier Lister has directed this very handsome revival of Congreve's comedy to mark his retirement from running the Yvonne Arnaud. A sumptuous tribute to his ten years' service at the theatre has also been printed as a souvenir, showing the wide range of this theatre's work—much wider than one might think—under his supervision. Val May is due to take over his post of artistic director later this year.

The Way of the World is done in a very straightforward way. There is no new look at Congreve and no indulgence in comic excrescence. The cast is a strong one: Gerald Flood plays Fainall, Julian Glover, Mirabell; Jessie Evans is Lady Wishfort, while the trio of leading ladies is completed by Honor Blackman as Mrs. Millament and Maxine Audley as Mrs. Marwood. The sets are as lavish as the costumes. Pamela Ingram's fir-covered version of James's Park with drifting clouds on the background deservedly won a spontaneous round of applause, and on this set the sharp, devious exchanges taking place between Mirabell and Mrs. Millament, Fainall and Mrs. Marwood work to best effect.

The cast play the wit very smoothly, almost in conversational tones, and are not quite able to project it strongly enough as I would have hoped. I should have liked to see some of it done more bitchily, even outrageously. Honor Blackman, the glamorous Mrs. Millament, is too stately and measured: she is not without charm but she hardly vibrates with wit and comic malice. Julian Glover plays a nice straightforward chap in love, but he could tell us more about the nature of love, at least as Congreve portrays it through the lines.

Jessie Evans comes nearest to lifting the production from its amiable naturalistic spirit, making Lady Wishfort into a colourful grotesque. Even Jimmy Thompson and John Dalby as Witwoud and Petulant could be more vain and extravagant in their delivery. The character whose style I liked most was Foible played by Trudi van Doorn. Although the part is smaller than those of the principals, Miss van Doorn keeps it constantly alive, hitting the right note of aggressive flirtatiousness that all these leisured fortune hunters need if one is to relish their games.

WORLD TRADE NEWS

Sugar prices help Cuba to get big trade surplus

BY HUGH O'SHAUGHNESSY

CUBA HAD a sizeable positive balance in its international trade last year and expects an even greater one this year. According to the latest available statistics, Cuba's exports in 1974 totalled $2,680m. against imports of $2,240m. giving a surplus of $440m. However, because both totals are computed f.o.b., this surplus has to be reduced by the amount Cuba paid out to foreign countries for shipping and insurance.

Cuba's trade performance last year compares very favourably with the 1973 results which showed a deficit of $50m. with f.o.b. exports of $1.390 and f.o.b. imports of $1,440 giving a deficit of $50m

It is expected that Cuban exports for this year will exceed $4bn., principally because of continuing high prices for sugar, the country's main export. Cuba is believed to have obtained very large increases in the prices the USSR pays for its sugar in addition to those already published, while the price of oil sold by the Soviets to Cuba has been kept substantially below ruling world prices.

Sugar production in 1974 is put at 5.9m. tonnes and Cuba expects about 6m. tonnes in the harvest just finishing.

The island's growth rate in the 1970s is put at 12 per cent., this being the annual average increase in the Gross Social Product (GSP) in the 1970-74 period. The GSP is not comparable to GNP as it discounts social services, public administration and defence.

According to the first outline of the 1976-80 Five Year Plan, due to be ratified at the first congress of the Cuban Communist Party in Havana next December, priority is to be given to projects which will generate foreign exchange earnings or reduce imports. The production of nickel, of which Cuba has deposits second in size only to those of Canada, is to be more than doubled from the present level of 35,000 tons a year.

Up to now, output of nickel has been hit by the fact that Cuba has been unable to get U.S. spares for the U.S.-designed machinery used at the mines. Nevertheless, the Cubans hope to extend the two existing plants to bring production up to 47,000 tons while installing a Soviet plant with a capacity of 30,000 tons a year.

The fishing industry is another high priority sector. Last year's catch was 165,000 tonnes and Cuba exported fish worth $60m.

During the course of the five-year plan, Cuba should obtain its first nuclear power station to be supplied by the USSR. Everything points to the fact that Cuba will continue to be a sizeable borrower in the world's capital markets. Since November, 1972, Cuba has contracted medium-term loans in these markets for DM517m. of which some DM400m. is still outstanding.

● Brazil has the potential to reduce its trade deficit this year by about $1.6bn. from the $4.6bn. shortfall of 1974, the Chemical Bank says.

In its "international Weekly update," the bank observes that preliminary figures on Brazilian exports in the first four months of 1975 show a 37 per cent. growth from the same period of last year with imports up by 10.4 per cent.

"These are rather suprising figures." Chemical comments. "A few months ago, Brazilian authorities were saying that it would be necessary to achieve a 20 to 25 per cent. increase in exports this year while holding imports to zero growth or even reducing them," it says.

Now it appears that "a moderate growth of imports—important to continued overall economic expansion — can be permitted," the bank says.

AP-DJ

$600m. loans planned by Japan to Indonesia

TOKYO, June 5.

JAPAN plans to supply Government loans totalling about $600m. to finance an Indonesian-Japanese aluminium and electric power project in North Sumatra, the Ministry of International Trade and Industry said. A final decision on the loans will be made this month.

The Ministry said the long-term low-interest loans will be provided by the Government Export-Import Bank, Overseas Economic Cooperation Fund and some Government agencies over a period of 10 years.

Nippon Light Metal Co. said the project calls for construction of a 500-megawatt electric power plant and a 225,000-tonne-a-year aluminium refinery in the Asahan river district of North Sumatra at a total cost of $230m.

From Singapore, it was reported that the State-owned Neptune Orient Lines signed contracts for two 29,500 dwt containerships to be built by IHI of Japan at a total cost of $135m. The first vessel is scheduled for delivery by October 31, 1976, and the second by February 28, 1977.

From Bangkok, it was reported that Japanese private trade representatives have agreed to buy about $611m. of Thai goods this year out of a total of $700m. proposed by Thailand, a Board of Trade (BoT) spokesman said. The agreement was reached during three-day talks.

Last year's export target for Thailand to Japan was $600m. but the total actual sale was slightly more, the spokesman said.

New container service for Europe-Far East run

BY OUR OWN CORRESPONDENT

SINGAPORE, June 5.

SINGAPORE'S national shipping line, the Neptune Orient Line, has linked up with three other major European and Asian shipping groups to form a container shipping consortium for the Europe-Far East run.

Members of the consortium, which is known as the Ace Group, apart from Neptune Orient Line are: Franco-Belgian Services (FBS) comprising Compagnie Maritime des Chargeurs Reunis of France; Compagnie Maritime Belge and Ahlers Line of Belgium; Kisen Kaisha (K Lines) of Japan; and the C. Y. Tung group's Orient Overseas Container Line of Hong Kong and Taiwan.

At present, FBS, K Line and Neptune Orient Lines only operate conventional and semi-container services on the Europe-Far East run, while the Orient Overseas Container Line has been providing full container services for the past three years.

According to Neptune Orient Lines, the four member lines, in forming the consortium, would, by coordinating the scheduling of some vessels, be better able to provide more frequent and competitive services to importers and exporters.

The consortium will use a single terminal at each port. However, each line will maintain its own identity and have its own marketing arrangements.

The consortium has initially committed eight container vessels for this run—with the first vessel entering the service in September—by end of 1976. The consortium will provide weekly sailings covering the U.K., Scandinavia, North Europe, Japan, Korea, Taiwan, Hong Kong, the Philippines, Singapore and peninsular Malaysia.

Container slot charter arrangements have already been made among consortium members to offer a fully containerised service.

Hong Kong 'a big market'—shipowner

BY PETER DUMINY

TOKYO, June 5.

A PLEA for Hong Kong to be allowed to develop "as a market in its own right," combined with criticism of Britain and the colonial administration for standing in the way of progress, was made to-day by Mr. Y. K. Pao, the millionaire shipowner.

"Hong Kong's public institutions often become competent more slowly than the activities they are supposed to regulate," he said, accusing the Government of inertia "if not outright rejection of Hong Kong's aspirations." He was addressing the British Chamber of Commerce in Japan.

To provide for its future, the colony should aim to be building up a reputation for "reliable provision of quality services" in such fields as finance, insurance, shipping and research. Hong Kong could also be the "Geneva of the Far East," being well placed to serve as the seat of international and regional agencies.

This calls for an imaginative look at banking and other legislation, instead of which, he implied, the Government was mainly obstructive and in some cases out of its depth. The guiding principle must be that Hong Kong's future prosperity will depend heavily on the freedom it offers.

Deploring the withdrawal of the Mitsubishi-led consortium from the underground railway project in January, he believed the result might have been different "had commercial interests been involved on the buyer's side." Commercial negotiators "would probably not have allowed our Japanese friends to get away," he added.

Describing relations with Britain, Mr. Pao noted that Hong Kong had been excluded from EEC preferential arrangements on textiles and footwear. He was strongly critical of the British Government's refusal to allow the Colony to establish a register of ships, which would enable Hong Kong-based shipping to compete with flags of convenience. The benefits of this would be substantial, he said, forecasting that Britain will ultimately allow it.

Mr. Pao congratulated the Hong Kong Government on its attempt to deal with the present economic difficulties by reducing expenditures rather than seeking increases in revenue.

A frequent visitor to Japan, Mr. Pao came for the launching of the 258,000-ton World Achievement, the latest addition to his more than 100-vessel fleet.

Asked about the world order book for new tonnage, Mr. Pao forecast that "80m. tons of orders will be cancelled by the end of the year." Japanese shipbuilders had a total order book of about 46.2m. tons.

Russia sells licence to German unit

By Leslie Colitt

BERLIN, June 5.

IN AN unusual example of a western company obtaining industrial "know-how" from a Communist country, West Germany's Salzgitter Industriebau Gmbh has purchased the licence from the Soviet Union for a process to turn out high pressure polyethylene. The arrangement is unique in more than one respect.

Polymir 50, developed by the Soviets together with Leuna of East Germany, is described by the western company as "virtually identical" to western processes long in use, including the original one developed by ICI.

Salzgitter, however, bought the rights to use the eastern version after its licensing arrangement expired for the West German Imhausen high pressure polyethylene technique.

Big rise in India-Soviet trade

By D. P. Kumar

NEW DELHI, June 5.

TEN-DAY talks on a long-term trade agreement with the Soviet Union ended last night with an agreement in principle that trade between India and the Soviet Union would be doubled by 1980. The Trade Protocol of 1975 envisaged a turnover of around Rs.7.5bn.

With this as the base, the volume of trade between the two countries by 1980 would be around Rs.15bn.

During the discussions, the Soviet team, led by the Deputy Minister for foreign trade, Mr. I. T. Grishin, asked India to expand the numbers of products earmarked for export. Russia was particularly keen to get raw rubber from India on rupee payment terms since it now imports 300,000 tonnes of raw rubber from hard currency areas.

While agreeing to the proposal for doubling of trade by 1980, India called for a flexible approach in fixing the quantities of goods to be exchanged since unforeseen circumstances—like the oil crisis—might force the country to make necessary adjustments. The Soviet Union, however, wanted firm commitments since production plans in the coming Soviet five-year plan (1976-80) had to be matched with firm trade figures.

Another round of talks is expected to be held in Moscow in August to finalise these points.

The two sides have also agreed to various proposals for production co-operation. A team of the Soviet Planning Body, GOSPLAN, which discussed the question with the Planning Commission in India, has already submitted specific proposals in this regard.

AMERICAN NEWS

U.S. wholesale prices rise again after 4-month fall

BY GUY DE JONQUIERES

WASHINGTON, June 5.

WHOLESALE prices in the U.S. rose by 0.4 per cent. seasonally adjusted in May, the second consecutive monthly increase following four straight months of decline.

The rise was, however, considerably less than the 1.5 per cent. jump in the wholesale index during April. Moreover, the year-on-year increase in prices continues to diminish, as it has done steadily over the past nine months, and at 11.7 per cent. is the smallest recorded at any point during the past year.

The bulk of the May increase, about two thirds, was ascribed by the Government to higher prices for farm products, which rose by 3.8 per cent. This was almost entirely due to a sharp rise in livestock products and was partially offset by a 0.2 per cent. drop in processed foods and feeds.

Administration officials are tending to minimise the significance of the recent rises in food prices, arguing that unless there is a repetition of last year's drought further price increases will be tempered by more plentiful supplies of feedgrains after the harvest later this year.

Upward pressure was also exerted on the index by rising prices for lumber, fuels and power, which pushed up the industrial commodities component by 0.4 per cent. Textile products, apparel, machinery and equipment also increased in price significantly.

On the other hand, three of the 13 major commodity groups within the industrial commodity category fell. These were for selected metals and metal products, plastic products and chemicals. But six components in the category remained virtually stable during the month.

Because of the importance of the volatile food element in the latest batch of figures, the rise in the May index is not being regarded as a radical departure from the continuing decline in inflation rates which the Ford Administration has forecast for the year as a whole.

With the growing indications that the economy will recover more slowly than had been expected a few months ago, it seems probable that most industrial commodities will rise only slightly in price for the next few months and that the behaviour of the index as a whole will be largely influenced by whether a bumper crop is harvested later this summer, as the Administration has predicted.

New York debt default proposed

BY JAY PALMER

NEW YORK, June 5.

DESPITE the angry warnings that New York city is now teetering on bankruptcy, City Council leaders and the Board of Estimate continued this morning to hold out against Governor Hugh Carey's rescue plan. This, State advisors told the council yesterday, was the only possible means to avert the city's accute cash shortage and prevent it defaulting on its debts.

This last-ditch opposition amounts to brinkmanship of an almost reckless nature. The City Comptroller confirmed this morning that NYC will be short at least $43m. and possibly $90m. to-morrow when it must pay weekly expenses and payrolls totalling over $130m. Next week the shortfall will exceed $1bn. when debts come due for repayment.

The governor's plan involves the immediate creation of a special new State agency which would relieve the city's cash-flow pressures by assuming its short-term debts and reissuing long-term bonds of its own. Opposition centres on the new agency's proposed authority in city fiscal affairs.

While in theory it is hoped that the borrowing credibility of the new agency would enable it to secure these funds, some doubts exist. Over the past week New York State has been forced to pay unexpectedly high interest costs on its latest borrowings and many have warned that the State's legal inability to guarantee new agency's Bonds would send its costs way up.

The final terms of this agency's powers have yet to be decided and indeed are currently the subject of intense negotiations between state and city officials. Earlier drafts had, however, insisted that the city submit for approval balanced budgets, made its day-to-day financial operations open to inspection and agreed to limit its spending and borrowings. A provision giving the agency a veto power over city operations has been dropped.

Describing even this more limited provision as a "major sell-out of city powers and a loss of home-rule," both the council and borough presidents this morning proposed that the city seriously consider defaulting on its debts as an alternative to the Governor's plan.

In the event of such a technical default, city creditors would have an immediate and legal first lien against revenues. However, it is expected that the city administration would in this event continue to pay salaries and meet bills leaving creditors free to either roll over debt or file lawsuits. The suits would call for New York City to declare itself bankrupt under chapter nine of the Federal Bankruptcy Act, a little known provision for financially stressed municipalities.

Three Asian nations seek cheaper loans

BY D. P. KUMAR

NEW DELHI, June 5.

INDIA, Bangladesh and Sri Lanka have suggested the creation of a new lending arm of the World Bank, in addition to the International Development Association (IDA), for disbursement of loans to developing countries at low interest rates.

The Finance Ministers of these countries met here yesterday to adopt a common approach to world monetary problems which will be discussed in Paris between June 10 and 13 under the auspices of the International Monetary Fund and World Bank.

The Finance Ministers said that the developing countries want another institution which they called the "third window" of the World Bank to provide development assistance at 4.5 per cent. interest. They said the World Bank's interest rate of 8.5 per cent. was too high while interest-free loans from the IDA were limited. A "third window" was needed to give assistance to developing countries on a larger scale than is available at present.

Though India, Bangladesh and Sri Lanka have forged a common strategy on the issue, other developing countries differ. Mr. C. Subramaniam, India's Finance Minister, Dr. A. R. Mallick of Bangladesh and Dr. N. M. Pereria of Sri Lanka, who met last evening, also decided to press for a larger share of the "oil facility" created by the World Bank and the IMF, its extension for another year and liberalisation of its terms. The facility, created initially for two years in the wake of the international oil crisis in 1974, they said, has largely benefited the developed countries whereas the economies of the devloping countries were under severe strain on account of the oil price hike. In 1974, the developed countries drew nearly 60 per cent. or 3bn. SDRs (Special Drawing Rights) from the facility, while the remaining 40 per cent. was distributed among 30 developing countries.

Reuter reports from Washington that the World Bank could get the green light next week to set up the "third window," which will be discussed at a meeting in Paris of the Development Committee, a joint panel of the World Bank and the International Monetary Fund.

It quoted sources as saying the aim was to add $1bn. to the amount already budgeted by the Bank for lending in the financial year beginning July 1.

Argentina devalues peso 50% against $

By Robert Lindley

A NEW devaluation of the Argentine peso—the second in barely three months—doubles the financial rate in relation to the dollar, more than doubles the commercial rate and makes foreign travel suddenly a very expensive endeavour.

"To give back to the country its capacity to export and to decrease incentives to import," says the official announcement, the financial rate of the new peso is increased from 15 to 30 new pesos to the dollar and the commercial rate from 10 to 26 new pesos.

The travel dollar now costs 45 instead of 25 pesos, but a draft bill is being sent to the Congress which would—no doubt will—raise the price of the travel dollar to more than 60 pesos by increasing a four-peso tax included in the present rate to at least 50 per cent. of that rate.

"The country is not in a condition to finance foreign trips indiscriminately and with the sole object of amusement," the announcement establishes.

The foreign exchange market is closed until Monday.

Simultaneously with the devaluation, the new Economy Minister, Sr. Celestino Rodrigo, has boosted fuel prices drastically, 172.7 per in the case of high-octane petrol (to 15 pesos a litre).

Cornfeld named in telephone fraud charges

By Guy de Jonquieres

WASHINGTON, June 5.

MR BERNARD Cornfeld, former chairman of Investors Overseas Services, has been indicted by a Federal grand jury in Los Angeles on charges of defrauding the telephone company.

It is alleged that Mr. Cornfeld, or female members of his staff, placed several hundred overseas calls during the past eight months using an illegal electronic device known as a "blue box," designed to transmit telephone calls without running up a record of a charge.

Last January, agents of the Federal Bureau of Investigation raided Mr. Cornfeld's luxurious residence in Beverly Hills and removed two "blueboxes." It is alleged that Mr. Cornfeld defrauded the Pacific Telephone and Telegraph Company of as much as $1,000 a month during the later part of last year. If convicted, he faces a maximum penalty of 15 years in prison and fines of up to $3,000. He has not been available for comment and a spokesman at his house said that he was out of the country.

PERU

Politics left — finance right

BY NICHOLAS ASHEKOV, LIMA CORRESPONDENT

THE MAIN FEATURE of Peru's present financial situation is that the dire predictions of most non-government bankers and economists six or nine months ago have not been fulfilled and do not now look as though they will be. No balance of payments crisis is looming, thanks partly to the diversity of available export products, and partly to the military Government's strict financial policies.

The Government view is that it has maintained a high level of credit-worthiness by careful husbandry. Officials say that the heavy foreign borrowing of $750m.-$800m. a year is amply justified by new copper and oil exports expected as of 1977, and that bankers would not be lending money if they did not expect to get it back again.

One result is a comfortable cushion of foreign exchange currently of around $700m., equivalent to between three and four months' imports. It is a main contributor to the Government's peace of mind, and to the favour it continues to find with international bankers, the IMF, and the World Bank. If a general international agreement to revalue gold reserves should be reached Peru would be able to claim reserves of between $900m. and $17bn. Even, as seems likely, the 1975 balance of payments ends up with a deficit of between $200m. and $300m., there should be no major disruptions.

For the same reason there is little likelihood of a devaluation of the currency in the foreseeable future. The present parity has been maintained since 1968 and few bankers see any benefit accruing from an early devaluation. Supplies of Peru's major exports — copper, lead, zinc, sugar, fishmeal and cotton— are relatively inelastic in quantity and their value has nothing to do with that of the sol. Imports are strictly controlled by the authorities, partly by severely restricting dollar availability through a system of quotas, and partly by an extensive list of prohibited imports.

The only parity change being contemplated would make foreign travel allocations dearer, which would only be an acknowledgement of the present level of "travel taxes."

Even the inflation rate of about 30 per cent. seems unlikely to alter the general perspective. In any case the Government is firmly committed to a no-devaluation policy, if for no other reason than that the previous civilian Government, under President Fernando Belaunde, is held responsible for a "treasonable" 40 per cent. devaluation in 1967.

A principal reason for this firmness stems from the Government's refusal to print much more money than justified by the growth rate of GNP, which last year was about 6 per cent. This is, of course, creating the kind of pressure familiar elsewhere: a shortage of liquidity, cut-backs of Government spending—in a country where the Government has taken a large measure of control over substantial sectors of the economy—growing unemployment and, for most people, a cut of the real value of their wages and salaries. Pressures to increase wages—therefore causing labour unrest—are hence being widely predicted for the coming months.

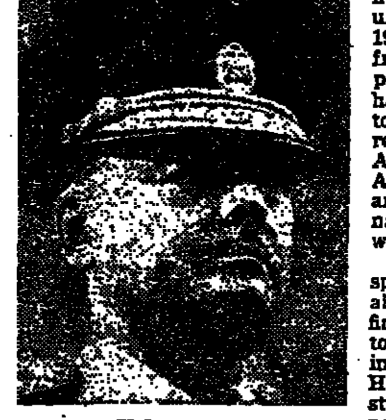
A marked improvement in the efficiency of the tax collection system during the past several years has allowed the Government to subsidise the retail price of the main imported staples—petroleum, wheat, milk powder, edible oils—while a number of locally-produced items, such as sugar and fishmeal, are sold at well below international prices. A pound avoirdupois of sugar retails here for about 3p, a gallon of 84 octane petrol for 9p, a pint of milk for 6½p. Most consumer hardware goods, though, run to two or three times European prices. Meanwhile there tend to be shortages of many staples from time to time, though some authorities attribute them to administrative inexperience as much as to real shortage.

Price controls on many items, from electricity, medicines and money to beer and Coca-Cola are an important part of the system.

The background to this picture of more or less controlled domestic austerity, which compares well with the situation in many other South American countries, is a political stability which is impressive even to the many who do not like military dictatorships. The Revolutionary Government of the Armed Forces came to power by a coup in October 1968, led by General Juan Velasco Alvarado, now 65, a tough character who, against most early predictions, has maintained himself in power and at the same time carried out a series of changes and reforms unparalleled in Peru and unmatched in recent Latin American politics anywhere but in Cuba.

The Government is heavily nationalistic in tone and action—it is about to expropriate one of the last of the large U.S. companies remaining in Peru—and is vociferously Third World in all its attitudes. Its reputation is decidedly left-wing. General Velasco's slogan in this context is "Neither Communist, nor capitalist."

The ability to keep coming up with new "revolutionary" concepts and actions at the same time as keeping the army behind him and the country under firm control certainly distinguishes President Velasco himself, and he is undoubtedly one of the



Gen. Velasco Alvarado

under-rated figures in recent Latin American history, partly, perhaps because of his lack of style and his inability to speak effectively in public.

Two years ago, President Velasco had to undergo a series of emergency operations during which he lost half his stomach and his right leg. He fought back quickly and remained in undisputed power until three months ago when another illness, the nature of which has never been precisely defined, overtook him and the problem of a successor became obviously acute—though not one discussed at all in the Government-controlled Press. A successor has now clearly emerged who appears to meet the satisfaction of almost everyone. He is General Francisco Morales Bermúdez, the Prime Minister and Minister of War, and the senior general in the army.

As such he is an obvious successor but his position was by no means clear until he became Prime Minister at the beginning of February. General Morales was for some time thought to be too "right" for General Velasco's revolutionary taste, but either this reputation was not deserved, or he has shifted to fit in with his new position. In any case General Morales has now clearly been given some of the responsibilities that General Velasco used to guard carefully to himself. He has become an active political figure, whose comings and goings are heavily reported in the local papers.

General Morales's speciality is in finance and economics. He first was Minister of Finance under President Belaúnde in 1968 and under General Velasco from 1969 to 1973. During that period he is acknowledged to have set the country's finances to rights at a time when Peru's reputation for left-wing anti-Americanism was at its height. As a result he is well-known to and respected by all the international banking institutions which deal with Peru.

Internally he is equally respected, first of all as a "reasonable" character, for those who find General Velasco unpleasantly tough, and because his standing in the army is unquestionable. He has in the past two months stuck rigidly behind Velasco, reportedly assuring that no attempt at a palace coup could take place.

President Velasco may continue to be in charge for some time to come—many people mistakenly wrote him off after his operations two years ago. But there now appears to be little danger of an internal quarrel about who is in charge. Despite General Morales's reputation for reasonableness there are no indications that he will appreciably slow the pace of the "bloodless revolution" to which President Velasco has committed the army and which has now achieved its own momentum.

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OVERSEAS NEWS

Security Council bid to call early Namibia poll

BY OUR OWN CORRESPONDENT

UNITED NATIONS, June 5.

A PROPOSAL, backed by Britain, which would have the Security Council call on South Africa to set a date for United Nations-supervised elections in South West Africa, known here as Namibia, was circulated to-day.

Meanwhile, African members who have been calling for mandatory economic sanctions and an arms embargo against South Africa have dropped this demand, recognising that it would encounter Western vetoes. Instead, they would "urge" members to apply the boycott.

Dr. Okoi Orikpo, the Nigerian Foreign Minister, who is here for the council debate on Namibia, criticised the "friends of South Africa" for obstructing African efforts to apply strong measures to get South Africa to get out of Namibia. But he also saw a glimmer of hope from further direct contacts with Pretoria and supported the idea of establishing a "contact committee."

This idea, first advanced by M. Louis de Guiringaud, the chief French delegate, is among the proposals now being circulated as a working paper which may eventually develop into a draft resolution. Mr. Ivor Richard, Britain's UN representative, has been active behind the scenes in formulating the text, which would result in the council's applying further pressure on South Africa, short of sanctions. He is expected to address the council to-morrow.

Mr. John Scali, of the United States, and M. de Guiringaud have publicly opposed a mandatory arms embargo, though the U.S. and Britain both apply one voluntarily. Mr. Scali urged other states to follow this example.

The British-backed working paper, as it stood to-day, would require South Africa to consult with the contact group on procedures "for moving forward peacefully to the early attainment of the independence of Namibia within a constitutional framework determined by the freely expressed choice of its inhabitants."

To that end, South Africa would be asked to announce "not later than July 1, 1976" a date for the holding of free elections under UN supervision, "in which the South West Africa People's Ogranisation (SWAPO) should have the unimpeded right to participate on equal terms."

The Security Council would meet again on or before October 15 next to review the situation and, in the event of South Africa's non-compliance, consider "the whole range of measures available under the charter which it might then be appropriate to take." These measures could include sanctions.

Mrs. Gandhi faces key state poll test

BY OUR ASIA CORRESPONDENT

THE INDIAN State of Gujarat goes to the polls over the weekend in an election that is seen as a crucial forerunner of the Indian general election which must be held by next spring at the latest.

Mrs. Indira Gandhi, the Prime Minister, and her ruling Congress Party are facing a tough struggle both in the State and the country, and if the Congress wins in Gujarat it will be a big morale booster at the national level.

At the last election the Congress won handsomely taking 139 of the 167 state assembly seats, but the Congress Government was forced out of office last year after violent student protests against corruption and rising prices and unemployment.

Mrs. Gandhi herself has led the offensive in Gujarat, stomping the state in a series of whistle-stop meetings in which she will have covered every district. Her opponents have charged that she has unfairly used Indian Air Force aircraft to get her from one place to another, but Mrs. Gandhi has replied that it is necessary for security reasons and that the Congress meets the costs of the flights.

Any prediction of the result in the State is hazardous because of the disarray in both Government and opposition ranks. The opposition, apart from the Communist Party of India, tried to form a Janata (United) Front, headed by Mr. Moraji Desai, formerly India's Deputy Prime Minister. Its attempted unity was spoilt because the various components of the front could not agree on a common platform.

Moreover, the attempt to avoid three-cornered contests also failed when a former Chief Minister of the State, Mr. Chamanbhai Patel, started his own party to contest the elections. Many observers expect him to pick up about 30 of the 182 seats being contested, which could give him an important balancing power in the State.

The campaign has been marked by outbursts of violence in one of which Mr. Jagjiven Ram, the national Agriculture Minister, was hit on the head with a stone and had to receive hospital treatment.

Pakistanis told tough year ahead

By Iqbal Mirza

KARACHI, June 5.

THE PAKISTAN Government is hinting in its publicity before Saturday's budget that a difficult year lies ahead, and people will be required to tighten their belts.

The crisis has been caused by an unexpectedly rapid growth in non-development expenditure and an appreciable fall in savings generated by the public sector. Budget surpluses for development in the public sector have virtually disappeared.

Revenues have increased to Rs.14.6bn. (about £640m.) as against the budget estimates of Rs.13.4bn., but non-development expenditures have risen to Rs.15.1bn.

It is openly admitted that increased borrowings have had to be made from abroad to maintain essential consumption and to prevent dislocation of investment plans. The balance of payments is also under pressure because of a poor performance by both agriculture and industry.

One of the most important questions being debated on the budget eve is whether the "feudal aristocracy"—the big landowners—will be taxed for the first time by a direct agricultural income tax.

Oil price warning by Saudi aide

NEW YORK, June 5.

THE leading oil producer in the Organisation of Petroleum Exporting Countries (OPEC), is abandoning its public stance against a further increase in petroleum prices.

This was made clear by Mr. Farouk M. Akhdar, a key economic adviser in the Saudi Government on petroleum and monetary affairs, in a meeting with Wall Street Journal editors.

Mr. Akhdar, who is chief of the technical-affairs office of the Saudi Government's Central Planning Organisation, cited U.S. President Gerald Ford's new tariffs on petroleum imported by the U.S. as the major reason for the change in the Saudi position. "If the price of oil is too high, why do you increase the price in your own country?" he asked.

There have been recent hints that the Kingdom might be reconsidering its role as a pricing moderate. Mr. Akhdar, who is in the U.S. for a speaking tour and for conferences with U.S. officials, confirmed that this is indeed happening.

The Ford programme, he said, "is undercutting our argument against an increase in prices." He added, "we want to maintain OPEC's united front."

One thing the two producers have in common, Mr. Akhdar disclosed, is that Saudi Arabia also favours "indexing" as a means of pricing OPEC oil to offset inflation prevalent in industrialised nations. But Mr. Akhdar said that Saudi Arabia still opposed production pro-rationing by OPEC.

Mr. Akhdar said that Saudi Arabia refused such a strategy, adding that Saudi Arabia prefers to let the price of petroleum be the only determining factor. Under the Saudi philosophy "the oil companies decide the production" to meet the level of demand.

AP-DJ

Oil tanker refloated

TOKYO, June 5.

THE 228,136-ton Japanese supertanker, Eiko Maru, was re-floated to-day after running aground and spilling hundreds of gallons of crude oil into Tokyo Bay, coast guards said.

But a fleet of 32 vessels continued a battle to prevent the spread of an oil slick, covering half a mile around where the tanker ran aground yesterday.

The tanker, carrying 215,867 tonnes of crude oil from the Gulf, was re-floated as about 28,000 tonnes of oil was transferred from its tanks to another vessel, the coast guards said.

Reuter

ISRAEL UNDER MR. RABIN

A premier learns his skills

BY A CORRESPONDENT

MR. YITZHAK RABIN passed his first anniversary in office as Israel's first native-born Prime Minister with two acts of paradoxical political acumen. They offer evidence of what he has learned on the job, and how he intends to survive in it against considerable odds.

His major move, after two months of calculated hesitation, was to go ahead with a scaling down of forces along the Sinai cease-fire line before the re-opening of the Suez Canal, with the full encouragement of the General Staff and the Defence Minister, Mr. Shimon Peres. Mr. Rabin chose to make the announcement just as the Ford-Sadat summit was ending in Salzburg and a week before his own meeting with the U.S. President in Washington on June 11 and 12. The Salzburg talks had got under way at a time when, both in Israel and abroad, Mr. Rabin's Government was being looked upon as apparently incapable and unwilling to respond to the blandishments of an Egypt finally reconciled to accommodation with the Jewish State.

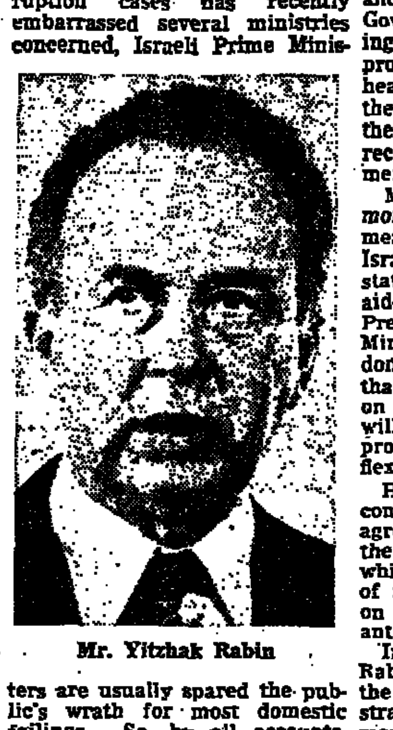
Mr. Rabin's other move came 24 hours before the announcement of the thinning out of forces. Its timing, too, was deliberate. To the astonishment of several ministers and the evident concern of Mr. Peres, the Prime Minister told the cabinet that he had appointed Reserve General Ariel Sharon, the hero of the Israeli bridgehead assault across the Suez Canal in 1973 to be his special adviser for affairs as yet unspecified.

It was the same General Sharon who, as the star of an otherwise lacklustre right-wing opposition in the Knesset until his resignation last winter to resume a reserve command, had been the Rabin administration's most damaging critic. In February, on the eve of Dr. Henry Kissinger's abortive mission in search of an Israeli-Egyptian agreement, Mr. Sharon resorted to the pages of the New York Times to observe of his Chief of Staff in the 1967 war that "Rabin the politician is naive, and in a way childish." Mr. Sharon has persistently pointed to the security risks inherent in the Government's inclination to surrender Sinai territory for something less than a full peace Treaty. And he led the opposition to the return of any West Bank land while Mr. Rabin was still trying hard to live down his utterances made before he became Prime Minister, to the effect that peace would mean Jewish settlers having to travel through the West Bank with Jordanian visas.

Now, as the premier's adviser, General Sharon maintains an enforced silence about the thinning out in Sinai, and Mr. Rabin's determination to try again for an interim settlement through the services of Dr. Kissinger, whom Sharon has called "the most dangerous man for Israel" in 27 years of U.S. foreign policy.

The rest of the parliamentary opposition meanwhile lies in tatters of indecision so that the razor-thin majority of Mr. Rabin's amorphous and poorly disciplined Labour alignment, which once threatened to disappear at any moment, appears comfortable enough to allow him bolder initiatives, if the Prime Minister so chooses. Although he has still failed to mould a political machine loyal to his own shy and rather stiff person, Mr. Rabin's popular support has soared together with his new reputation as a hawk. A public opinion survey just published shows 56 per cent. of the electorate registering satisfaction with him, as compared with only 32 per cent. in February.

Although a succession of corruption cases has recently embarrassed several ministries concerned, Israeli Prime Ministers are usually spared the public's wrath for most domestic failings. So, by all accounts, Mr. Rabin's expanded credit is attributable to his leadership of a Government that refused to be browbeaten by Dr. Kissinger into making territorial concessions which Egypt could not or would not respond to with political commitments.



Mr. Yitzhak Rabin

So far, the challenges on Mr. Rabin's left flank—primarily from Mr. Abba Eban, the former Foreign Minister and an all-but-declared candidate for the succession—have been effectively blunted. Mr. Eban's recent strictures on Israeli inflexibility during the last Kissinger round and his complaints about the Government's resistance to drawing up a comprehensive peace programme have received a full hearing in party forums, but their effect has been blunted by the long history of personal recriminations between the two men.

Mr. Rabin's success for the moment will inevitably be measured by the health of U.S.-Israeli relations—meaning the status of economic and military aid—following his talks with President Ford. The Prime Minister has made clear to domestic critics on both sides that the Government's firmness on matters of principle must and will be balanced by convincing proof of Israeli diplomatic flexibility and open-mindedness.

He has hinted at an emerging compromise by emphasising that agreement is now dependent on the length of the period for which Egypt will give a pledge of non-belligerency, rather than on the formal publicity attendant to its declaration.

In the long run, however, Mr. Rabin's tenure may depend on the accuracy of his guiding strategy espoused several months ago rather impolitically, and later disavowed amid howls of domestic outrage. Israel, he said, will have to sit out seven years or so of political famine and isolation until the West has wrestled itself out of the Arab oil vice and has fully perceived the Soviet challenge in the Middle East and Israel's counterweight role. Until then, Israel must give up what occupied territory is truly expendable, hold on to the rest, and accelerate its drive to economic independence.

Saigon expels French and Vatican envoys

BY OUR ASIA CORRESPONDENT

SOUTH VIETNAM'S new Government yesterday expelled the envoys of France and the Vatican and called for a renewed campaign to round up enemies of the regime.

In an editorial headed "Some problems of the people trying to make themselves masters of Saigon," the newspaper Saigon Giai Phong (Liberated Saigon) said: "We must sweep the city clean of all obstinate enemies, we must check every one of their dark plots." Earlier this week the deadline expired for the surrender of weapons by members of the security forces of the old regime.

A Reuter dispatch from Saigon said there had been unconfirmed reports in the city of isolated sabotage attempts.

The newspaper also called for a statement of accounts to be drawn up with the U.S. "We have to make an accounting of the old regime. We cannot overlook the blood debt the U.S. imperialists and their lackeys owe to our people," it said.

No explanation was given for the expulsion of M. Jean Marie Merillon, the French ambassador, or Mgr. Lemaitre, the Holy See's apostolic delegate, and the two men departed for Vientiane on an evacuation flight. Mgr. Lemaitre had become unpopular with radical Roman Catholic priests and clergy for being the prime mover in appointing a right-wing nephew of the former dictator Ngo Dinh Diem to be a bishop in Saigon with right of succession to the city's archbishopric.

In Hanoi Mr. Pham Van Dong, the North Vietnam Prime Minister, said in an address to the National Assembly that "from now on Vietnam on all of its sacred territory is independent and free, from now on Vietnam is a unified nation and will remain so for ever."

According to radio reports monitored by the BBC the Premier said the 45m. people of Vietnam were resolved to fulfill "Uncle Ho's last wish to build a peaceful, unified, democratic and prosperous Vietnam and to make a worthy contribution to the world's revolutionary cause." But he did identify two regimes in Vietnam, the "socialist regime" in the north and the "progressive democratic" one in the South.

EUROPEAN NEWS

Guardia Civil shot dead on Basque train

BY ROGER MATTHEWS

MADRID, June 5.

ANOTHER MEMBER of Spain's para-military Guardia Civil was shot and killed this morning and a colleague seriously injured when gunmen apparently boarded a train they were travelling on and opened fire with a machine gun and a pistol. The shooting took place just outside San Sebastian in Spain's northern Basque country where a state of emergency was introduced six weeks ago.

The provinces of Guipuzcoa and Vizcaya have been wracked by violence this year with attacks by members of the separatist organisation ETA being matched by retaliatory violence from extreme right-wing groups. Four members of the police have now died since the April 25 introduction of emergency measures.

Meanwhile in Madrid a spokesman for the illegal "Junta Democratica" claimed that around 140,000 workers had answered yesterday's call for a "day of struggle." They listed a wide number of industries which had been affected either by all-out strikes or by lesser disruptive action. These ranged from the metal-working industry to banks, insurance offices and schools.

Officially-inspired newspaper reporting countered by stating that less than 1 per cent. of the active workforce of Madrid had been involved and that the subversive action by the Communist-led "Junta Democratica" had been a total failure. Official sources said that fewer than 100 people had been arrested while the "Junta" said the true figure was between 300 and 400.

Because of the Government-imposed news blackout on the reporting of disorders in the Basque country, details are still sketchy about to-day's shooting. It seems that two alleged members of ETA boarded the train which was en route to Bilbao, opened fire on the guards, and then forced the train driver to stop at a point where there was a waiting car in which they made their escape.

However, later this afternoon there seemed to be an attempt to alter the official version of what had happened with the suggestion that the Guardia Civil had died when falling from the train. Probably the full details will never be known. The effect will certainly be to raise tension yet again in the Basque provinces and may prompt still tougher police action together with further attacks by extreme right-wing groups.

Despite the wave of arrests carried out in the Basque provinces there is no sign that ETA is anywhere near being defeated, principally because of its very tight cell-type organisation which prevents effective infiltration.

Baader trial is put off again

STUTTGART, June 5.

THE TRIAL of four leaders of the anarchist Baader-Meinhof group was adjourned to-day until next Tuesday to allow time for one defendant to find a new lawyer.

To-day's proceedings were marked by the same sort of legal wrangling that punctuated the opening session on May 21 of what is expected to be a mammoth trial. Most of the session was in secret, and during it the five judges dismissed a flood of defence motions, one of which asked for annulment of the trial.

The four leaders—40-year-old journalist Ulrike Meinhof, ex-student Gudrun Ensslin, former art student Andreas Baader, and sociologist Jan-Carl Raspe—followed the exchanges with amused expressions. They face murder, bombing, and robbery charges.

Only two days ago, a local court confirmed that Baader's team of three defence lawyers should be barred from the entire proceedings because they were suspected of conspiring with their client.

When the hearing resumed after the mid-day break, Baader said he did not intend to go into all the "legalistic packing surrounding this affair. But now I need a defending lawyer," he said, naming three lawyers whom he would accept as counsel.

He accused the public prosecutor of confiscating manuscripts from the defendants' cells, and said the accused, little interested in the proceedings, would only be available for the trial if they were allowed to speak to each other during adjournments.

Reuter

Spanish border crossings bring French backlash

BY GILES MERRITT

PARIS, June 5.

FRANCE TO-DAY introduced rigorous border controls along its Pyrenean frontier with Spain in a move that highlights this week's worsening diplomatic relations between Paris and Madrid.

The French crackdown on frontier traffic is aimed at putting an immediate stop to unauthorised Spanish police operations against members of the ETA Basque separatist movement who have taken refuge in France.

In a statement to the National Assembly, French Interior Minister M. Michel Poniatowski also emphasised last night that the measures will equally be intended to prevent militant Basque members of ETA, which is illegal in both countries, using France as a base for guerilla activities in Spain.

Following last week's revelation that a Spanish secret policeman—posing as an antique dealer—was found to be carrying four machine-guns in his car while on French territory, attention has been focused here on the growing numbers of Spanish police understood to be pursuing Basque separatists into France.

France's sharp official reaction to this development—a diplomatic note believed to be couched in the strongest terms calling on Spain to desist at once—has put fresh strain on the already tense relations caused by the Basque question. Nor did Mr. Poniatowski mince his words in his Parliamentary statement yesterday, when he described Spanish police activity inside France as "unacceptable."

Although the French Government has also been careful to stress that Basque guerillas will not be permitted to use France as a haven, the deteriorating diplomatic situation between Paris and Madrid can scarcely have been eased by the French decision to grant political asylum to the three Spanish Basque separatists arrested in St. Jean de Luz last week.

It was their unsuccessful kidnap attempt that first drew national attention here to the increasing activity of Spanish police on this side of the border. Their plan to kidnap Sr. Vicente Martinez, who described himself as a Spanish antique dealer, failed but led to the discovery of automatic weapons in his car. Although injured during the incident, he has since been returned to Spain.

The realisation that the Spanish authorities have of late resorted to illegal operations on French territory—dating probably from Madrid's April declaration of a state of emergency in its four Basque provinces—has caused especial bitterness here because only last year France clearly spelled out the terms under which Spanish Basque activists would be repatriated to stand trial.

In September, only days after Spain unilaterally decided that French citizens would once again be required to present their passports at the border, M. Poniatowski informed the Spanish Government that it was at liberty to file extradition proceedings against those Spanish nationals in France it wanted to stand trial. Since 1972 about 400 Spaniards have been granted asylum in France.

Lisbon 'murder conspiracy'

LISBON, June 5.

PORTUGAL'S Copcon internal security forces to-day accused a Maoist group of plotting to assassinate some of the country's military leaders.

A document analysing the activities of the Maoist movement for the reorganisation of the Proletarian Party (MRPP) denounced subversive Maoist cells trying to divide the armed forces.

Copcon said a branch of the MRPP known as the "Popular Anti-Colonial Resistance (RPAC) had planned "the physical elimination of officers belonging to the movement of the armed forces (MFA)," but gave no details.

Over 300 Maoists are being held in various military jails following a Copcon campaign against the MRPP last week. The military authorities have admitted that some soldiers beat up the prisoners and slightly flooded the cells into which they had been packed.

Copcon said Maoists had planned to steal weapons and ammunition from military stores and accused the MRPP of systematically obstructing military operations.

Maoists had beaten up the daughter of an army officer, and an armed group of Maoist supporters had tried to burst into another officer's home, Copcon said, adding the MRPP had been damaging military cars and private ones belonging to soldiers.

Reuter

Further cut in French bank rate to 9.5 p.c.

By Rupert Cornwell

PARIS, June 5.

FOR THE fourth time this year, the Bank of France cut its discount rate with a half-point reduction to 9.5 per cent., bringing it back to the level of September 1973.

Although the direct consequences of the step will be small, thanks to the limited role of bank rate in the French interest rates structure, it won a warm welcome this afternoon on the Paris Bourse, mainly because it is believed to herald a cut in the minimum lending rate of commercial banks.

At present this stands at 10.30 per cent., which implies a basic borrowing cost for industry of between 12 and 15 per cent., depending on credit-worthiness. The Finance Minister, M. Jean-Pierre Fourcade has already urged a cut, stressing that the banks are now able to refinance themselves at 7.5 per cent. or less on the overnight money markets.

In essence, the central bank has carried the careful reflationary policy of the Government one step further, after the lowering of hire purchase costs two days ago. Even so the French bank rate is among the highest in the West—more than double that of Germany (4.45 per cent.) and well above those of its Common Market partners, Italy, Belgium and Holland.

The failure to make a deeper reduction is generally being seen here as a wariness on the part of the French authorities before the return of the franc to the EEC snake.

Despite the impressive trade turn-around to a comfortable surplus, the recent spurt in inflation has reminded everyone that the country's economic health is not secure, and the central bank is expected to maintain interest rates here relatively high as an extra support for the currency.

Meanwhile, just five days before Finance Ministers of the IMF Interim Committee gather here to debate monetary reform, the Finance Minister has again clashed with Washington over floating rates which the U.S. wants to legalise in the system of the future.

In the National Assembly, this afternoon, M. Fourcade branded them as "a cancer" which if unchecked would impede further progress towards trade liberalisation—a threat the French have brandished on similar occasions in the past.

W. German surplus 'will fall'

MANNHEIM, June 5.

THE VICE-PRESIDENT of the West German Central Bank, Dr. Otmar Emminger, to-day forecast a sharp decline in West Germany's huge foreign trade surplus this year.

Dr. Emminger said estimates—which he described as "very provisional"—indicated a fall of some DM8bn. to DM9bn. (about £1.4bn. to £1.6bn.) over the year.

Central Bank President Karl Klasen said the bank had done all it could at present to boost the economy. Care had to be taken to prevent renewed economic growth in West Germany or in the world leading to higher inflation.

Reuter

Small fall in jobless total

By Guy Hawtin

FRANKFURT, June 5.

THERE WAS a disappointingly small drop in the level of unemployment in West Germany last month. The Federal Labour Office announced in Nuremberg to-day the German unemployment rate fell by only 0.3 per cent. to 4.4 per cent.

Herr Josef Stingl, President of the Labour Office, described the 70,000 decline—which brought the total number of unemployed to 1.02m.—as "extraordinarily small" for this month. The rate of unemployment is the highest for the month of May since 1955, when it stood at 4.7 per cent.

It is the gastarbeiter—the foreign workers—who have suffered most. Among them, unemployment is running at the rate of 6.9 per cent. In May, 167,300 were out of work and collecting unemployment pay—11,100 fewer than in the previous month. But while there are few complaints that foreigners are in work while Germans have no jobs, there are currently 400,000 fewer gastarbeiter in the Federal Republic than the 2.58m. high point.

There are other important factors that make the month unusual: never before in May have so many people been on short-time working and in no year have there been so few jobs on the market. The number of employees on short time rose by 22,200 to 921,800, while vacancies rose by a meagre 2,500 to 264,300.

Hardest hit by short-time working are the electrical industry — here 11,600 more workers went on short time, bringing the total for the sector to 171,800 — and the machine manufacturing industry where the number on short time went up by 16,500 to 130,200.

Waldheim appeals to Cyprus leaders to make concessions

BY PAUL LENDVAI

VIENNA, June 5.

UN SECRETARY-General Kurt Waldheim opened the second round of the Vienna talks on Cyprus to-day with an urgent appeal to both the Greek and Turkish Cypriot leaders to make concessions in order to make their talks a "meaningful and useful step towards peace and understanding in Cyprus."

Mr. Glafkos Clerides, the Greek Cypriot leader who yesterday threatened to walk out if the referendum on a constitution for the Turkish Cypriot "State" were to be held as scheduled next Sunday, listened grimly as Dr. Waldheim referred to "considerable difficulties" experienced since the conference recessed in early May.

The Secretary-General warned Mr. Clerides and Mr. Rauf Denktash, the leader of the Turkish Cypriot community, that he had to report to the UN Security Council before June 15 and that all of them had an obligation to referendum which was originally genuinely endeavouring to make the second round meaningful."

He made clear that during the past four weeks hardly any progress has been made and said he regretted that the joint committee on the transfer of Nicosia airport to full civilian use has not been set up. Work on repairing the airport began only on Monday, Dr. Waldheim said. He also stated that the work of the crucial expert committee on the power and functions of the future central Government had not been completed.

In spite of his earlier threats, Mr. Clerides told the Press before the opening of the conference that he nevertheless wanted to hear whether Mr. Denktash would be willing to answer some other key questions.

The Turkish Cypriot leader categorically refused to call off the referendum again: "We already postponed once the referendum which had originally scheduled for May 18," adding that his side would not be moved by threats. However, in an arrival statement earlier to-day, Mr. Denktash hinted that in case of an agreed settlement, the constitution could be changed. He said that he was willing to answer several questions but that he would not be able to answer all questions.

Dr. Waldheim expressed his hope that the previous suggestions about territorial aspects and the refugee problem would be discussed further and stressed that the two sides should again try to make progress in this field. Forty per cent. of the island's territory has been under Turkish occupation since last summer, when about 180,000 Greek Cypriots fled to the South.

Dr. Waldheim repeated that the time may not be ripe for a breakthrough but stressed that the Turkish and Greek Governments confirmed to him that they were in favour of resuming the Vienna talks on the previously agreed date. In spite of all the difficulties, the Secretary-General said in his opening statement, it was essential to maintain the negotiating process and not to allow the search for a settlement to lapse.

The first session, at which Mr. Denktash put forward what the communique called "a number of ideas," on the powers and functions of the Central Government, lasted two and a half hours and ended at 6 p.m.

A UN spokesman described the atmosphere as "good and friendly." The Turkish Cypriot leader will present his views on "other issues" at to-morrow morning's meeting, the spokesman said.

Albania seeks link with European rail network

BY OUR OWN CORRESPONDENT

BELGRADE, June 5.

EUROPE'S most isolated country, Albania, may be about to forge one of its most solid links yet with the outside world—by joining on to the European railway network.

This possibility has opened up with a request from the Albanians for negotiations on a line connecting their system to Yugoslav railways. Since Albania has no rail connections with its only other neighbour, Greece, this would mark its first rail contact with the rest of Europe.

According to sources in Belgrade, the request is now under consideration.

The chance to connect the two systems has come with the near completion of the Belgrade-Bar railway, a project first proposed 100 years ago, linking the Yugoslav capital with the coast. Its terminal at the port of Bar in Montenegro is only 20 miles from the Albanian border and only 50 miles from the nearest Albanian rail terminal.

From the political point of view, the way to building a link has been opened by the marked improvement in Yugoslav-Albanian relations in the last two years. Increased trade, cultural exchanges and other forms of co-operation have turned Yugoslavia into Albania's second largest trade partner after China.

Christina announces Onassis foundation

By Our Own Correspondent

ATHENS, June 5.

HALF OF Greek shipping magnate Aristotle Onassis' multi-million dollar estate is to be dedicated to a foundation which will establish public welfare institutions in Greece, Miss Christina Onassis, his daughter and principal heiress, announced here to-day.

In a signed statement issued by her lawyers, Miss Onassis said the foundation, to be located in Vaduz, Liechtenstein, will be set up on her late father's wishes and instructions will be dedicated to the memory of her brother, Alexandros, who was killed in an aircraft crash in January, 1973, at the age of 24.

Mr. Onassis died in Paris last March and was buried next to his son in Scorpios, the family's private islet in the Ionian Sea.

The size of the Onassis fortune has never been revealed but it has been estimated at between $800m. and $1bn., most of which he is thought to have left to his 24-year-old daughter. The share left to his widow, Jackie, is not known.

It is believed here that Miss Onassis intends to devote about $300m. to the trust. Two projects which will be among those undertaken early on are to establish a large hospital and a merchant navy cadet training school in Greece.

Sources close to the family have said she does not intend to carry out a pledge she gave her father on his death-bed to marry Mr. Petros Goulandris, a childhood friend and member of another Greek shipping family. The sources said Christina, for the time being at least, will concentrate on running her late father's vast business empire, originally built and still based on shipping.

Junta chiefs held for trial

ATHENS, June 5.

TWO former Ministers, who signed the Constitutional Act which abolished the monarchy in Greece, in June 1973, were to-day remanded in custody on charges of high treason.

The two men, retired General Vassilios Tsoumbas and Mr. Orestis Yakas, were Ministers of Public Order and Merchant Marine.

EUROPEAN NEWS

Italy sacks police chief during election build-up

BY ANTHONY ROBINSON ROME, June 5.

AT THE HEIGHT of the Italian regional and local election campaign in which law and order is one of the principal electoral topics, the Government has announced the resignation of the Chief of Police Sig. Efisio Zanda Loy and his replacement by the former Prefect of Bologna Sig. Giorgio Menichini.

Sig. Zanda Loy was Chief of Police for just over two years and his substitution at this time has been strongly criticised by both the Republican Party, which is a member of the two-party coalition Government led by Sig. Aldo Moro, and by the Socialists for the allegedly "electoral" nature of the decision.

Both parties believe that the man behind the move is Sig. Amintore Fanfani, secretary of the Christian Democrat party, who hinted at the need for a change at the top levels of the police and prison services during the party's national assembly last month. This coincided with the jail revolt at Viterbo in which three prisoners, describing themselves as members of the extremist political organisation NAP (Nuclei Armati Proletari) knifed two prison guard hostages and required the State radio to broadcast a message containing their "revolutionary" doctrine of political action.

By insisting on new legislation which increase police powers of search and arrest on the one hand; and substituting the Chief of Police on the other, Sig. Fanfani clearly hopes to demonstrate that his party is seriously determined to do something on the law and order front. His critics maintain that finding a scapegoat and hurriedly introducing essentially "cosmetic" additions to the already extensive body of law and order measures are no substitute for efficient administration and the implementation of long-promised reforms aimed at tackling the roots of increased criminality and violence.

Meanwhile, in the latest of a long list of kidnappings Sig. Vittorio Gancia, heir and managing director of the Gancia alcoholic and soft drinks group, was abducted after a faked car accident near his castle home in Piedmont yesterday, but released early this afternoon following a gun fight between his kidnappers and Carabinieri. The speed of his recovery by the Carabinieri appears to indicate that the Italian police forces have gained considerably from their experience in dealing with the series of kidnappings which have taken place here since the kidnapping of Paul Getty Jnr. revealed the high rewards and relatively low risks of this traditional Sardinian crime, which has been refined by organised crime rings into a flourishing business.

No pact on Polish coal for Sweden

BY WILLIAM DULLFORCE STOCKHOLM, June 5.

POLISH COMMUNIST Party leader Edward Gierek said here to-day that trade with the West at any price was not what Poland wanted. It sought increased trade on favourable terms, but Poland's trade connections within the Comecon bloc would always remain more important.

Mr. Gierek was speaking at a Press conference at the end of a three-day official visit to Sweden, during which he signed a 10-year agreement on economic, industrial, technical and scientific co-operation and accords on double taxation and health service co-operation. He also issued a joint declaration with the Swedish Prime Minister, Olof Palme, calling for the further extension of friendly relations between the two countries.

However, the visit did not conclude with an agreement for the large-scale delivery of Polish coal to Sweden. The Swedes have not so far agreed to the long-term, cheap credit, for which the Poles have been asking to enable them to expand coalmine production. Mr. Palme hoped that agreement could be reached later this year.

In a joint communiqué the two leaders favoured closer relations among the Baltic States, noting shipping, navigation and environmental protection as fields for future co-operation.

Lardinois 'to resign' if CAP is curbed

By Robin Reeves BRUSSELS, June 5.

MR. PIERRE LARDINOIS, the Brussels Commissioner responsible for agriculture, to-day threatened to resign if moves to clamp a ceiling on Common Agricultural Policy expenditure were successful.

The resignation threat was made at a French young farmers conference in Caen, Normandy, addressed by Mr. Lardinois. The Farm Commissioner said that agriculture, with its multiple uncertainties, could not work with a budget ceiling. If such a ceiling was installed, "I would be the first to go," he declared

EEC officials here stressed that Mr. Lardinois was not preparing the ground for any new supplementary budget, but reacting to a recent informal high level meeting in West Germany called by the Federal Chancellor Helmut Schmidt, to discuss ways of limiting the cost of the CAP.

Last autumn's German veto of the EEC farm prices package is not forgotten. Moreover, West German concern at the cost of the CAP is evidently mounting because of the continuing Common Market beef surplus and the threat of a return of cereal and perhaps butter surpluses later this year.

Norwegian oil tax approved

By Fay Gjester OSLO, June 5.

NORWAY'S NEW oil tax law, which provides for a 25 per cent. surtax on oil companies' income from petroleum production on the Norwegian Continental shelf, received the final vote of approval in the Storting (Parliament) yesterday.

At the same time, the Storting authorised the creation of 21 new civil service posts in the Tax Directorate and the Ministries of Industry and Finance for officials who will help administer the new law.

Among its other provisions, the measure gives the Government the right to fix "norm prices" for oil and gas unilaterally. For the Ekofisk field alone, it is expected to increase the Government's total tax by Kr.25bn. to some Kr.65bn. over the five years 1976-80.

● Norway and West Germany expect to hold talks in the autumn about Norway's plans to extend its fishing boundaries, West German Foreign Minister Hans-Dietrich Genscher told a Press conference here yesterday.

DUBCEK PROTEST

PARIS, June 5.

ALEXANDER Dubcek, former Czechoslovak Communist Party leader, has sent letters to two European party leaders demanding that the situation in Soviet-occupied Czechoslovakia be discussed at the World Communist Conference planned for later this year. UPI

REVIEW OF GERMAN BUSINESS OPINION

Waiting for a wind

BY NICHOLAS COLCHESTER, BONN CORRESPONDENT

CHANCELLOR Helmut Schmidt said at the beginning of this year that the West German economy would be "over the hump" by the summer. The hump has receded like a mirage ever since. Summer has arrived, the promised upswing has not, and it must now be conceded that Herr Schmidt was wrong. The new official estimates are for no economic growth this year, for unemployment averaging 900,000 or 4 per cent. of the work force, but with price inflation at an enviably low 5.5 per cent.

The German Government's hopes for an "upswing in stability" were based on the OECD's winter consensus that the volume of world trade would expand by 4 per cent. in this year. Since then the OECD has revised its estimate down to a 3 per cent. contraction. Because its exports are equivalent to one-quarter of its GNP, West Germany had for some time been obviously vulnerable to such a development. With deficit spending, with optimistic utterances, and with help from the Bundesbank which brought down interest rates, the Government tried to stimulate the internal economy—but to small effect. Industry would not be cajoled into investing into an export slump, and the German consumer has not come out of his shell.

The current feeling of stagnation is confirmed by the latest report from the IFO institute, and by the latest trade and order figures. After two months of trying vainly to accentuate the positive, IFO now states baldly that "the business situation in most areas of industry is bad at the moment," and that "even if the economic bottom is passed in the course of this year, production of most branches of industry will be lower in 1975 than in 1974. The fall in some cases will be considerable. For industry as a whole, a drop of 4-5 per cent. is not to be excluded."

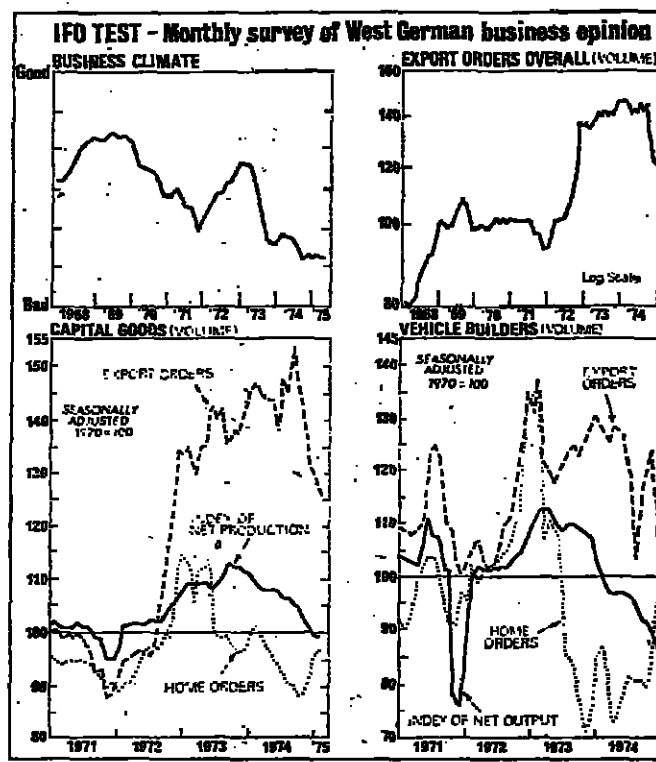
IFO's survey of the mood in industry shows that the trend towards greater optimism ceased in April when manufacturing industry was operating at 76 per cent. capacity, or below the lowest rate registered in the 1967 recession. Among makers of capital goods, business had deteriorated markedly with many more companies reducing their production plans for the months ahead. Manufacturers of consumer hard goods were little changed in their outlook of general dissatisfaction with the notable exception of the motor car manufacturers, which said that business was "good."

Among retailers, IFO found that the weak expansion of demand seen in the first quarter had faded in April: turnover for the month was below that of March at a time of year when it is normally on the increase. This fading was noticeable in the markets for consumer soft goods and for food and provisions. But in the market for consumer hard goods—television receivers, washing-machines, and the like—there were the first signs of an upturn.

This week the Economic Ministry published the seasonally adjusted order figures for April and they put some statistics behind IFO's impressions. The overall order index dropped from 134 in the fourth quarter of last year, to 133 in the first quarter to 130 in April. The corresponding figures for domestic demand ran 120, 126, 123, while the sequence for export demand ran 179, 157, 151. All these indices were set at 100 in 1970. Breaking demand down into its various components the Ministry table showed that internal demand for capital goods had however increased slightly in April, consolidating the gains of the first quarter.

The trade figures for the first four months are a good example of the way in which a weak expansion in internal demand is being nullified by a sharp contraction in demand overseas. Imports over this period were DM59bn., 5 per cent. higher than a year before, implying an increase of perhaps 2 per cent. in real terms. Exports, on the other hand, were down 2 per cent. to DM72.4bn., or down by an estimated 16 per cent. in real terms. Imports showed a particularly strong gain in April, cutting the German trade surplus to its lowest level in almost a year.

As a result of all this the promises of better times have now been pushed firmly back to 1976. The Gross National Product was down by 3 per cent. in real terms during the first quarter, and the Economics Ministry, which has been the most honest of the Government agencies in its recent official and unofficial statements on the progress of the economy, reckons that Germany will be doing well to get the GNP back to the 1974 level by the end of the year.



IFO's Business Climate indicator is arrived at by polling entrepreneurs

The outlook beyond that point depends to a large extent on the development of the export trade. That this is so was underlined last week in Brussels when Herr Schmidt urged the Nato countries to make an effort to get some economic growth back into their economies. The latest word from the respected economic research institute in West Berlin is that there should be a gradual improvement in Germany's export chances in the industrialised countries at the beginning of 1976.

Meanwhile Germany's trading partners look at the low rate of inflation in West Germany and at the relatively large figure of more than 1m. unemployed and wonder why the Germans do not do more themselves to get the economic ball rolling again. Yet, short of make-work, it is difficult to see what more this Government and the Bundesbank can do. The budget deficit has already reached the point where the Finance Minister has warned that taxes must go up when the economy recovers. The Discount Rate is, at 4.5 per cent., the lowest in the industrial world. Even before it was lowered to this point and before the minimum reserve requirement was reduced by 5 per cent., there was ample free liquidity in the banking system. The Economics Minister, Herr Hans Friderichs, is known to be worried that the monetary reins are now so slack that the economy will prove impossible to stop once it gets moving again.

The news from the U.S. is that the index of economic indicators and the flow of orders rose strongly in April, suggesting that this giant economy is now moving out of its recession. The immediate impact of a U.S. recovery on German exports is not great, but it would have psychological importance, and influence through the development of American multi-national investment. Given an improving OECD economy next year, Germany is bound to benefit. This would give the Schmidt government just the economic climate it needs to go forcefully into the general election in the autumn of 1976.

At the end of April, the five leading West German economic research institutes suggested that the Government would have to be patient in waiting for the invited "upswing" to appear. Now that the political pressures of the Länder elections are past, the Government is abiding by this advice. The Chancellor told his Nato allies that the industrialised world was suffering from inflation and excess liquidity in recession—a combination of symptoms not described in any economic textbook. Given that the science of economics has no other suggestions to make, West Germany is whistling for a wind.

HOME NEWS

New car trade code holds dealers responsible

BY TERRY DODSWORTH

SUGGESTIONS made recently by the Office of Fair Trading for a voluntary code of practice covering the motor industry are now known to include a demand that dealers accept full responsibility for any loss or damage to vehicles in their charge.

The OFT also suggests, in a lengthy document which is now being considered by the industry, that customers should be offered the free use of a loan car for delays when faulty repairs or bad workmanship are being corrected, or when spares are not available during the warranty period.

If accepted, the OFT's provisions would bring substantial changes in warranty and pre-inspection procedures, and impose some restrictions on the way that cars and petrol are promoted.

Talks are beginning between the OFT and both the representative industry bodies concerned, the Motor Agents Association and the Society of Motor Manufacturers and Traders. An agreement on a code of practice is not expected before September at the earliest although the MAA has already made it clear that it is prepared to meet the OFT's proposals on broad terms.

The provision requiring dealers to accept loss or damage responsibility would involve a substantial change. At present dealers can largely disclaim responsibility for vehicles left in their charge. But under the OFT proposals they would not be allowed to seek exclusion from liability, and repairs would carry guarantees against failure both of parts or workmanship for a specified mileage or time period.

The OFT is also asking that new vehicles should be delivered in first class, clean condition, and that "there should be a clear statement of the manner and effectiveness by which a vehicle has been treated to prevent the development of rust."

Warranty periods would have to be extended where persistent faults recurred, or to compensate for any prolonged period that a dealer keeps a vehicle for service or repair as a result of any warranty-covered defect.

Lists of items to be covered in pre-delivery inspections would be issued by manufacturers, and dealers would have to provide signed copies for customers, showing all faults found and how they were rectified.

On the marketing side, the OFT says that used car dealers should not be allowed to zero mileage readings, or black them out, or use a disclaimer notice.

They must either get a signed statement from the previous owner which gives the true mileage, or "make an assessment based on their skill and judgement." Dealers may only trade in cars which have current MOT certificates and are in a legally defined condition of roadworthiness.

Complaints procedure would also change under the OFT proposals. Trade associations would be called into conciliate only after cases have been first referred to local consumer advisers. Performance of dealers would be monitored against the code, and findings of the trade associations published in an annual report.

MPs debate Stonehouse expulsion on Thursday

By Richard Evans, Lobby Correspondent

A by-election will be held at Walsall North on July 3 or 10 if the Commons passes a resolution next Thursday to expel the present MP, Mr. John Stonehouse, for neglecting his Parliamentary duties.

Two motions have been tabled by Mr. Edward Short Leader of the House, for debate on Thursday. The first proposes that the three reports of the Select Committee which has studied the Stonehouse affair should be considered, and the second proposes "that John Thomson Stonehouse be expelled th's House."

A number of MPs believe that no move should be made against Mr. Stonehouse, who disappeared from Florida last December and is now in Australia facing extradition proceedings, until the charges pending against him have been heard. They point out he has been found guilty of no offence.

But the Select Committee recommended in its second report a month ago that unless Mr. Stonehouse returned to the Commons to explain his conduct within a month, moves should be made to expel him. Mr. Stonehouse claims he is unable to return because of the extradition proceedings.

The local Labour Party at Walsall North, where Mr. Stonehouse had a majority of over 15,000 at the last Election, has been pressing hard for his expulsion. They hope to pick a by-election candidate from over 200 applicants at a meeting to-night.

Cash top-up for gift coupons

By Sandy McLachlan

IN AN ATTEMPT to allow smokers of Embassy cigarettes to hedge against the effects of inflation on their coupons, Wills is to permit them to add cash to coupons in order to buy some of the more expensive items in the gift catalogue.

A similar move was announced yesterday by Merchandise Promotions—the pink trading stamp company—which is to allow housewives to match each book of stamps with a cash payment of 56p—roughly equivalent to another book in terms of gift value.

The Embassy initiative—it is the first time Wills has allowed coupon collectors to top up their coupons with cash—is designed to allow smokers to collect enough coupons for expensive items within a reasonable time. *At current rates of inflation,* people have found the number of coupons required for particular items has been increasing as fast or faster than they have been able to collect the coupons.

The new Embassy catalogue contains 1,500 articles and it is currently being dispatched to over 3m. people. Out of the total list, some 280 items will *qualify for the cash addition.* For example, a food mixer previously quoted at 12,000 coupons, will be listed in the new catalogue at 9,900 coupons plus £13 in cash.

Merchandise Promotions was *formerly Sperry and Hutchinson* U.K., and was bought out by Gateway Securities earlier this year for a nominal consideration of £1. This is the company's first major initiative under its new management, aimed at denting the dominant market share of the trading stamp business held by Green Shield.

The pink stamp scheme comes into operation from next Monday, and will apply to most of the items in the gift catalogue. The company's chairman, Mr. Donald Lamb, said yesterday that, in his view, the new scheme could double the turnover through the group's warehouses. "Savers will like the idea of being able to get merchandise more quickly."

Mr. P. Jefferys is Grindlays group chief executive

BY MICHAEL BLANDEN

FIRST STEPS in reorganising the Board and management of the Grindlays Bank group have been *taken with the assumption by* Mr. Peter Jefferys, the managing director, of the executive responsibilities previously held by the chairman, Lord Aldington.

The move leaves Mr. Jefferys as the clearly established chief executive for the whole group, a role which in spite of his appointment as managing director of the bank last year he has not held until now.

It is thought that further appointments at Board level may be announced by the bank in due course as part of the review of the organisation of the Board *promised by Lord Aldington.*

This follows the news last week that First National City Bank is to increase its stake in Grindlays from 40 to 49 per cent. through subscription for 2.37m. New shares *at a price yet to be fixed.*

It is expected that this move will be followed later by a further capital increase through a rights issue to Citibank and to the other shareholder, National and Grind*lays Holdings, in which* Lloyds Bank has a 41.4 per cent. stake.

The new capital is required as a result of the impact on the bank's capital base of the heavy provisions against property loans *in the Brandts merchant banking* subsidiary.

The Board changes leave Lord Aldington free as chairman to concentrate on strategic issues involving the bank, leaving Mr. *Jefferys with overall executive* control.

The individual sections of the bank are headed by Mr. Alastair Thomson on the international banking side, Mr. William Adams at the U.K. services division, and Mr. Michael Andrews as head of Brandts.

Mr. Jefferys came to Grindlays from Citibank in 1972, and last year succeeded Mr. John Gordon as managing director. The Board also includes as non-executive directors Mr. C. R. Vincent, a Lloyds director, and the recently-appointed Sir Michael Clapham, a deputy chairman of Lloyds.

Lloyds will continue to maintain a strong interest in the bank, and it is possible that an important role will fall to Mr. Nigel Robson, vice-chairman of Grindlays, who is chairman of Arbuthnot Latham and a director of the Lloyds subsidiary, National Bank of New Zealand.

Forecast says pound must fall further

By Our Economics Staff

THE U.K. can only maintain its international competitiveness by allowing sterling to fall further, according to the Henley Centre for Forecasting.

In the June edition of Framework Forecasts the Henley Centre, under Mr. James Morrell, its Director, says this is likely to happen in spite of a predicted rise in short-term interest rates to offset pressure on sterling.

According to the Henley analysis, wage rate increases are still accelerating, and now account for over 80 per cent. of domestic price inflation.

This acceleration has produced a sharp widening in the gap between U.K. and foreign inflation rates, says Mr. Morrell, and this must lead to a situation where "*a competitive position will be* maintained by a steady depreciation of the pound through 1975 and 1976."

The Henley document goes on: "With little prospect of success*ful voluntary restraint,* a change in Government policy is inevitable . . . we accept the various Government pronouncements that a statutory incomes policy is not under consideration. Other alternatives are import controls, direct controls over the banks, tax increases, and public spending cuts."

The Henley Centre diagnoses that the U.K. economy is suffering from a period of "three year drift," with total output declining gently from mid-1974 to early 1976, and likely to be no higher in mid-1976 than three years previously.

Safety moves at Silverstone

SAFETY improvements costing £20,000 are being made at Silverstone Circuit for the John Player Grand Prix motor race on July 19.

Approximately 6,000 yards of Catch Fencing is being installed on all corners, to reduce the impact in the event of an accident. *At Club Corner all trackside* safety banks and sleepers are being moved 50 feet from the edge of the circuit.

These improvements are another phase in the continuing pro*gramme of safety measures taken* at Silverstone since 1970 which have cost approximately £70,000.

NEW WARNING ON DRUGS

Doctors have been warned that certain drugs to discover if women are pregnant have a possible link with an increased number of congenital abnormalities.

The alert comes from the Government's drugs watchdog, the Committee on Safety of Medicines. The hormonal preparations it names in a circular to doctors "could on occasion lead to abnormalities in the foetus," it says.

Rig launch ahead of schedule

By Our Darlington Correspondent

THE FLOAT-OUT of Graythorpe Two, a £20m. oil platform built at the Hartlepool yard of Laing Offshore, will take place ahead of schedule.

The company announced yesterday that the official naming ceremony has been arranged for June 14 and that the launching will follow before the end of the month.

The float out of the platform, built for BP in the Forties Field, was originally fixed for July 14. All the 1,650 work force at the yard have been invited to the naming ceremony.

Completion of the platform will leave the yard with one order, a rig for Burmah Oil Development's Thistle Field. This platform is of a simpler design to the previous structure built at the yard and is less labour-intensive.

Bank of Tokyo opens West End branch

BY MICHAEL BLANDEN

THE BANK OF TOKYO opens its office to-day in the West End of London. It is the first of the *major Japanese banks to take* this step.

The bank was the first of the Japanese banks to reopen in the City after the war, in 1952, and yesterday Mr. M. Inouye, resident director for Europe, said that the move into the West End was designed as "an extension of the services provided."

The purpose, he said, was to *provide "a more convenient* location for doing business with many of our customers, existing and prospective, and of course with the many thousands of tourists who flock to London each year." He drew attention to the service to be given the 5,000 or so long-term Japanese residents, and the 200,000 tourists who stay in the West End.

The new branch, close to the Japanese Embassy, is not expected to make a profit in its *own right. With a staff of 13,* it will aim to develop the bank's retail business, mainly with Japanese but also with other customers, and will serve the City branch with the help of *advanced computers.* With IBM equipment, these include the facility of verifying account-holders' signatures through display terminals on-line to the bank's computer.

SE to allow BBC filming for first time

Financial Times Reporter

THE STOCK EXCHANGE has for the first time agreed to let an outside organisation film on the floor of the Market.

So far the Exchange has allowed cameras on to the floor to make its own publicity film, My Word is My Bond. The SE Council has now agreed to permit a BBC film unit for a programme it is making on financial markets *to be shown later this year.*

Filming will take place over the period of the EEC Referendum result declaration as the film is centred on its outcome.

An SE spokesman said the actual filming *would probably* take place on Monday morning when the full results will be known, rather than this afternoon when the Exchange will have closed before the full results are declared.

Sex film convictions put system of licensing into question

BY A. H. HERMANN

THE CONVICTION and fining of two companies and a cinema manager for showing a film licensed by the Greater London Council, but found by the jury to be grossly indecent, has put the film licensing system into question and is likely to lead to a review of the censorship system.

The test case was initiated by a complaint from former MP Mr. Raymond Blackburn, supported by Lord Longford, against the public showing of the Swedish film "More about the Language of Love."

At the Old Bailey yesterday a jury of three women and nine men took just 45 minutes to reach their verdict against Jacey (London) Limited, Fancey Associates Limited, and cinema manager Lionel Parsons. The two companies were fined £500 each and Mr. Parsons £50.

About 30 films shown at present in the U.K. are said to be in the same category as the condemned film, which held an "X" licence from the GLC. It is in colour, very explicit and has a finale of oral sex and intercourse.

The film was seized from the Jacey Cinema in London last July and the two companies involved, and Mr. Parsons, were prosecuted for "unlawfully and scandalously showing the paying public a film which depicted grossly indecent performances, thus outraging public decency."

All accused denied the indict*ment, relying mainly on the fact* that the film had been passed by the GLC.

It was the first time anyone had been prosecuted while acting strictly within the terms of a *licence granted by a statutory* body, said the defence counsel, Mr. Michael Worsley, QC, and submitted that the GLC could have been prosecuted for aiding and abetting the offence.

*It was reported that Mr. Black*burn would ask for such prosecution of the GLC if there was another cause for such a complaint in the future.

However, the jury was unimpressed by the opinion of the GLC film censors. It found the film they had passed to be not only indecent but "grossly indecent."

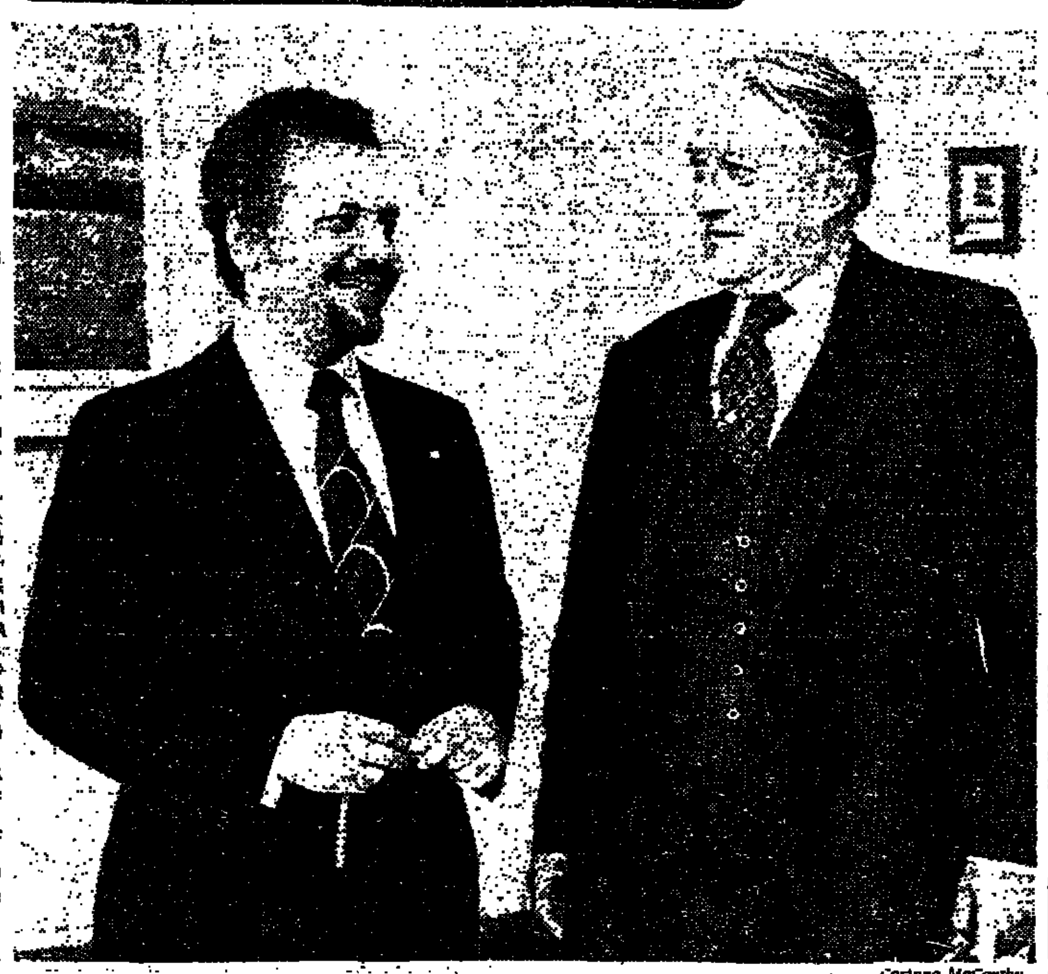
Judge Gwyn Morris told the jury that he entirely agreed with their verdict and that the leniency of the penalties was due to the mitigating circumstance, seen in the granting of an "X" certificate by the GLC.

The case, which demonstrated the supremacy of the common law and of the jury, has also revealed that the film industry cannot rely on the present statutory system of censorship and licensing.

Moreover, if censorship should be left in the hands of the jury, the standards of public acceptability of films as well as of other publications would become unpredictable, as individual juries may take very different views of what outrages public decency.

Such differences may be even greater as a result of the time and place where such cases are tried. The need of reviewing the entire licencing scene in the interest of great legal certainty is clear.

HOME NEWS



Corinne McCarthy

Sheikh Ahmed Zaki Yamani, Saudi Arabian Oil Minister, left, with Mr. George Loveday, Chairman of the Stock Exchange.

HOPES harboured by consumers that declining demand and underutilised capacity might force producers to cut oil prices were unjustified, Sheikh Ahmed Zaki Yamani, Saudi Arabian Minister of Oil, said in London last night, writes Richard Johns.

In a significant address to members of the London Stock Exchange, he declared that the total collective OPEC surplus anticipated during the next five years was such that member-States "should not be expected to resort to price-cutting in order to increase sales."

Challenging the assumptions of the OECD and the International Agency, Sheikh Yamani asserted that "supplies should not be determined by producing capacities but by producers' requirements."

He added pointedly that, although Saudi Arabia had authorised a production level of 8.5m. barrels a day, "its requirements do not warrant more than 3.5m. b/d."

Giving the third in the series of the Chairman's Lectures at the Stock Exchange, Sheikh Yamani made it clear, at least, that Saudi Arabia would not—as seemed to be the strategy a year ago—maintain its own output at a rate designed to keep prices at a moderate level or even depress them.

On the contrary, the reference to the Kingdom's current over-production as regards its own revenue needs, could be seen as reflecting the apparent shift in Saudi policy towards limiting output—and the State's financial surplus.

His lecture may be seen as indicating a shift in his thinking under the growing conservationist pressures within the Kingdom (which were revealed indirectly on Wednesday by Mr. Hisham Nazar, Minister of State for Planning, at his London Press conference), and a much closer alignment with Iran on the question of prices.

At the same time, he indicated obliquely his Government's continued reluctance to join a production programme—a subject expected to figure prominently at the OPEC conference in Libreville next week.

"Despite the fact that consuming countries' Governments have recently resorted to restrictive oil import policies, OPEC countries did not take collective action towards commensurate restrictions in production and they are not likely to."

He justified the present price of oil by saying that on the basis of the price index of OECD countries since 1948, the price for 1974 should have been "more than $12 a barrel.

"Prevailing prices do not only stimulate OPEC oil supplies but they have also grown palatable to the consuming countries because they tend to increase the pace of producing alternative sources of energy," Sheikh Yamani added.

He dismissed the IEA's proposal for a floor price aimed at preventing prices falling below a minimum level (and, though the Minister did not say so, encouraging development of other fuels) as "a move to force prices down to a level desired by consumers."

In New York yesterday, a senior Saudi official interviewed by the Wall Street Journal was reported as confirming that Saudi Arabia was abandoning its stance against higher oil prices.

Mr. Farouk Akhdar, a senior adviser in the Central Plan Organisation, was quoted as saying that the major reason for the change in its policy was the new U.S. tariffs on petroleum imports.

Building costs still rising

By Our Industrial Staff

BASIC BUILDING costs have risen by nearly a third over the past 17 months, according to the Building magazine cost index.

The index, compiled by the *Royal Institution of Chartered* Surveyors, passed the 130 mark for the first time last month (December 1973=100).

Although the increase in May, 0.4 per cent., was the smallest monthly rise so far this year, the magazine does not suggest that costs may be stabilising.

A further instalment of last year's wage agreement in the industry is due to be implemented at the end of this month and the effect of this will be to push basic costs up another 5 per cent. to 6 per cent.

The squeeze on builders' profit margins is also still considerable. As a recent Department of the Environment survey indicated, the prices of new houses rose by only 6.5 per cent. in the 12 *months to the first quarter of* 1975, failing to keep pace with rising building costs.

Over the same period the Building housing cost index went up by 23 per cent.

● Building activity for April 1975, as reflected in builders' merchants sales of materials was 2.9 per cent. down on the corresponding month in 1974. For the year to the end of April 1975, the national figures showed a 15.4 per cent. fall in activity compared with the previous year.

These figures are given in the latest monthly statistics issued by the National Federation of Builders' and Plumbers' Merchants, and indicate merchants' deliveries to building sites for new construction and sales of building materials for improvements, repairs, maintenance and other building activities.

IN BRIEF

Shelter protest

Shelter, the charitable campaign for the homeless, is to protest *against the cuts announced by* the Government in the housing programme this year which have culminated in a large reduction in the amount of money councils can now lend for home purchase.

Costly oil

Britain's oil bill is £3.5bn. a year, or £10m. a day—one of the points to be made in a series of newspaper advertisements sponsored by the Department of Energy, as part of the Save It campaign.

The advertisements will concentrate on the cost to the balance of payments of importing oil, the price of which has multiplied five times over the past 18 months.

No fun at the sea

Britain's resorts and spas must look to their image according to a report published to-day by the British Tourist Authority, which paints a picture of resorts whose traditional appeal is slowly being eroded by the intrusions of modern life—supermarkets, bingo halls and car parks. The study looks at two seaside towns, Llandudno in North Wales and Rothesay on the Isle of Bute, and the Derbyshire spa town of Buxton.

Well heeled

More than 150 workers at a Clarks shoe factory in Rothwell, Northants were given assurances yesterday that their jobs will be safe when the factory is taken over by the local firm of T. Groocock at the end of the month. Clarks are to centralise their production at factories in Somerset.

Out to grass?

Nearly 100 workers at the Alumasc aluminium casting firm of Burton Latimer, Northants, were told yesterday that they are to be put on a three day working week because of a slump in trade blamed on the new 25 per cent. *VAT rate on lawnmowers.*

Jobs for the girls

Parents should positively encourage daughters who show an interest in taking up work conventionally thought of as a male preserve, says an article published to-day in the educational magazine, Where.

Hotel plan

The British Airports Authority is inviting proposals for a 300-bedroom hotel at Aberdeen Airport "in keeping with its importance of location as the main airport serving Scotland's North Sea oil industry."

Wealthy few

Scotland's wealth is distributed "extremely unequally," with about 3,000 people — 0.1 per cent. of population — having personally owned about £640m., according to an economics research paper based on estate duty returns.

Honeywell sells £750,000 computer system to NFC

BY CHRISTOPHER LORENZ

HONEYWELL has secured another public sector computer contract by selling a Series 60 Model 66/20 system worth over £750,000 to the National Freight Corporation.

The size of the system—a series 60 Model 66/20—could be held to fall just below the limit above which the Government requires its own departments—and is putting increasing pressure on nationalised industries—to "buy British" if possible, in other words from International Computers.

The Honeywell computer will replace two old ICL machines, and the American subsidiary says the order was won "in a competitive tender situation" against ICL as well as IBM and Sperry Univac.

As if by way of compensation, ICL yesterday announced a £1.25m. contract from Eastern Europe, where it is faced with the threat of increased competition from the U.S. computer industry.

Three Czechoslovakian universities, all situated in Prague, have jointly ordered an ICL System 4-72, together with three of ICL's successful new small systems, the 2903.

ICL said the contract arrangements were unique in the computer industry: three-quarters of the deal has been paid for with a "compensation arrangement." ICL has sold the use of Czech film production facilities to major film and television production companies throughout the world.

ICL said it won the order in open tender and against "fierce competition" from most of the major computer manufacturers. Installation will take place later this year.

Like last summer's orders to Honeywell by the Home Office and the Department of Employment, the 66/20 processor will be manufactured at the company's Scottish factory at Newhouse, Lanarks.

The National Freight Corporation will instal its Honeywell computer in October, in a new computer centre to be set up in Birmingham.

Meanwhile, Burroughs announced yesterday in Detroit that it is introducing the L-9000 series of business mini-computers, doubling the throughput of the present L-series. The new models fit in Burroughs' product lines between the L-8000 business mini-computers and the B-700 small-scale computer systems.

HOME CONTRACTS

Laing to build research block

JOHN LAING CONSTRUCTION is to build a cancer research laboratory block on the north-west side *of the Royal Marsden* Hospital, Sutton, Surrey, which specialises in treating all kinds of cancer. The £620,000 block is due to be finished towards the end of next year.

It forms part of the first phase of an anticipated £8m. scheme to redevelop part of the five-acre site, which will eventually become the headquarters of the Institute of Cancer Research, part of London University's post-graduate medical federation.

Nearly 60 homes for 160 people are to be built in Windermere, Cumbria, under a £600,000 contract awarded to John Laing Construction by South Lakeland District Council. Work starts this month and is due to be finishd by January 1977.

★

NEWPORT FORGE AND ENGINEERING has won contracts worth a total of £370,000 for the supply of foundry sand preparation, storage and reclamation plant to the British Steel Corporation's heavy steel foundry in Sheffield.

★

AISH AND COMPANY has been awarded orders worth more than £250,000, for versatile console systems by the Ministry of Defence (Procurement Executive) for Mine Counter-Measure Vessels (MCMV) being designed for the Royal Navy.

★

STOTHERT AND PITT has received an order from the Port of Bristol Authority for five travelling dockside jib cranes. This contract, which covers the *manufacture of the cranes and* their installation at Avonmouth, is valued at more than £500,000.

★

FERRANTI has announced that, following approval of the Maritime Harrier programme, they will be engaged in development and manufacture of the associated radar.

★

A new flight data acquisition and recording system, developed by PLESSEY AVIONICS AND COMMUNICATIONS with the LOCKHEED AIRCRAFT SERVICE COMPANY, has won its first order, worth more than £80,000, from Short Brothers and Harland, of Belfast.

Stamp fraud postal clerks jailed

NINE postal counter clerks—including five union branch officials—were given jail sentences ranging from nine months to three years at the Old Bailey yesterday for their part in a *ring selling stolen National* Insurance stamps.

Vast quantities of National Insurance stamps taken in a £2.5m. series of Post Office raids were sold across the counter, with the proceeds passing back to the thieves, the prosecution alleged.

The racket was finally stopped when the Post Office brought in a special squad of investigators who checked up to 500,000 insurance cards to trace the sales of stolen stamps.

Judge King-Hamilton, QC, said: One of the most disturbing features of this case and of similar cases is the fact that so many members of the Post Office staff provided the thieves with outlet for which they were looking. In fact, it was no less than 21, including you nine.

"What makes this affair particularly contemptible is the fact that several of you were branch *officials with the Union of Post* Office Workers," he commented.

Mr. Michael Coombe, prosecuting, had told the court all nine counter clerks worked at branches in the Paddington district of West London.

The stamps came from a series of robberies and raids, he added. After the £433,000 haul from Twickenham head post office two years ago—the biggest of the robberies — the Post Office formed a special squad to investigate the selling ring.

The men in the dock were: Ronald Jones, chairman of UPOW's Paddington branch, of Acton, London W.; Edward Hyde, assistant secretary, of Northolt, Middx.; William Hart, treasurer, of Hemel Hempstead, Herts; and committee members Stanley Lawrence, of Acton; Michael Lynch, of Greenford; John Croxan, of Notting Hill, London W.; Brendon Moss, of Acton; *Hoopnarayan Poonai, of Alper*ton, Middx.; and Rattan Rait, of Southall, Middx. With them was Albert Millbank, unemployed, of North London.

Jones, Hart and Lynch worked at Kensington's Church Street Post Office; Moss, Croxan, Poonai and Rait at Notting Hill; Lawrence at Queensway and Hyde at Hanwell.

Jones was jailed for three years for conspiring to defraud, handling insurance stamps and handling stolen postage stamps. He was also given a concurrent six-months sentence for stealing four petrol ration books.

Hyde was given 30 months for conspiracy, handling stolen insurance stamps and handling postage stamps, and a concurrent six-month sentence for stealing ten petrol ration books.

Hart was jailed for 18 months for conspiracy and handling stolen insurance stamps. Croxon two years for conspiracy and handling stolen insurance and postage stamps. Moss was jailed for nine months for conspiracy and handling insurance stamps, and a further three month concurrent term for stealing a petrol ration book.

Millbank was jailed for two years. Lynch and Poonai were jailed for nine months each. Lawrence for 12 months, all on various charges of conspiracy and handling stolen stamps. Rait was jailed for nine months for handling stolen stamps and stealing petrol ration books.

All except Rait—who denied the offences and was convicted by a jury—had admitted the charges.

COMPANY NOTICES

BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

7% UNSECURED NOTES 1975/84 ("THE NOTES")
FIRST CAPITAL REDEMPTION

NOTICE IS HEREBY GIVEN that the first capital redemption being 1/10th of the capital amount of the Notes outstanding at 1st July, 1974, will be paid to the holders of the Notes who are registered in the company's register of noteholders at the close of business on 20th June, 1975. The registers of noteholders in Johannesburg and the United Kingdom will be closed from 21st to 27th June 1975, both days inclusive.

Capital redemption payments will be made on 30th June, 1975, to those noteholders who have surrendered their certificate, to the company's registrars for endorsement by that date. Thereafter capital redemption payments will be effected against receipt of certificates lodged for endorsement and the attention of noteholders is drawn to condition 3(d) on the reverse side of the Notes certificate.

The capital redemption payments will be in the currency of the Republic of South Africa, and the rate of exchange at which the payments will be converted into United Kingdom currency, for the payments by the United Kingdom Registrars, will be the telegraphic transfer rate of exchange between Johannesburg and the United Kingdom ruling on the first business day after 20th June, 1975.

The attention of noteholders who are residents of the United Kingdom (including the Channel Islands and Isle of Man), the Republic of Ireland and Gibraltar is drawn to the special conditions of the United Kingdom Exchange Control Act of 1947 relating to capital payments, details of which will appear on the warrants.

By order of the Board.
W. C. Warriner.
Group Secretary.
6th June, 1975.

REGISTERED OFFICE:
33 de Beer Street,
Braamfontein,
Johannesburg.
2001.
(P.O. Box 4862, Johannesburg, 2000)

SOUTH AFRICAN REGISTRARS:
Rand Registrars Limited.
2nd Floor
Devonshire House,
49 Jorissen Street,
Braamfontein,
Johannesburg.
2001.
(P.O. Box 31719, Braamfontein, 2017)

UNITED KINGDOM REGISTRARS:
Lloyds Bank Limited
Registrars' Department.
The Causeway,
Goring-by-Sea,
Worthing,
Sussex BN12 6DA,
England

BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

7% UNSECURED NOTES 1975-84
PAYMENT OF INTEREST

NOTICE IS HEREBY GIVEN that interest at the rate of 7% per annum for the six months ending 30th June, 1975, will be paid to the holders of the 7% Unsecured Convertible Notes 1975/84 who are registered in the company's register of noteholders at the close of business on 20th June, 1975.

The registers of noteholders in Johannesburg and the United Kingdom will be closed from 21st June to 27th June, 1975, both days inclusive. Interest cheques will be posted to noteholders from the Johannesburg and United Kingdom registrars' offices on 30th June, 1975.

This interest is payable in the currency of the Republic of South Africa, and the rate of exchange at which the payment will be converted into United Kingdom currency for the payments by the United Kingdom Registrars, will be the telegraphic transfer rate of exchange between Johannesburg and the United Kingdom ruling on the first business day after 20th June, 1975.

In terms of the South African Income Tax Act, 1962, as amended, a non-resident's tax of 10% (ten per centum) has been imposed on interest payable to:

(a) Persons other than companies not ordinarily resident in South Africa, and
(b) Companies which are not South African companies
and the company will accordingly deduct the tax from the interest payable to noteholders whose addresses in the register of noteholders are outside South Africa.

By order of the Board.
W. C. Warriner.
Group Secretary.
6th June, 1975.

REGISTERED OFFICE:
33 de Beer Street,
Braamfontein,
Johannesburg.
2001.
(P.O. Box 4862, Johannesburg, 2000)

SOUTH AFRICAN REGISTRARS:
Rand Registrars Limited.
2nd Floor
Devonshire House,
49 Jorissen Street,
Braamfontein,
Johannesburg.
2001.
(P.O. Box 31719, Braamfontein, 2017)

UNITED KINGDOM REGISTRARS:
Lloyds Bank Limited.
Registrars' Department.
The Causeway,
Goring-by-Sea,
Worthing,
Sussex BN12 6DA,
England.

GOLD FIELDS GROUP

DEELKRAAL GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

OFFER OF 20 000 000 ORDINARY SHARES AT A PRICE OF R2.00 PER SHARE

The Directors of Deelkraal Gold Mining Company Limited announce that acceptances have been received in respect of 99.3 per cent of the Offer which was made to Gold Fields of South Africa Limited and to its members in order to raise R40 000 000.

REGISTERED OFFICE AND HEAD OFFICE:
Gold Fields Building,
75, Fox Street,
Johannesburg.
2001
P.O. Box 1167,
Johannesburg.
2000.

LONDON OFFICE:
49 Moorgate,
London EC2R 6BQ.

4 June 1975.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

GROUP COMPANIES DIVIDENDS

The following dividends have been declared payable in the currency of the Republic of South Africa, to members registered in the books of the companies concerned at the close of business on Friday 27th June, 1975.

Name of company (Both incorporated in the Republic of South Africa)	Dividend Number	Per unit of Stock cents
Elsburg Gold Mining Company Limited	4	13c
Western Areas Gold Mining Company Limited	20	20c

The dividends are declared subject to conditions which can be inspected at or obtained from the companies' Johannesburg office or from the office of the London secretaries (Barnato Brothers Limited of 27 Austin Friars, London EC2N 2EY).

Subject to the said conditions payment by the London Secretaries will be made in United Kingdom currency at the rate of exchange quoted by the company's bankers on 21st July 1975, provided that in the event of the company's bankers being unable to quote such a rate of exchange on that day, then the currency of the Republic shall be converted at the rate of exchange quoted by the company's bankers on the next succeeding day on which such a rate is quoted.

Dividend warrants will be posted from either the Johannesburg office or the office of the London Secretaries as appropriate, on 31st July, 1975.

South African Non-Resident Shareholders Tax at the rate of 15% and United Kingdom Income Tax will be deducted from the dividends where applicable.

The Share Transfer Books and Registers of Members will be closed from 28th June, 1975 to 4th July 1975, both days inclusive.

By Order of the Boards
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED,
Secretaries,
Per D. F. R. Brumage.

Head Offices and Registered Offices:
Consolidated Building
Corner of Fox and Harrison Streets,
P.O. Box 590, JOHANNESBURG, 2000.

5th June, 1975.

EDWARD JONES (CONTRACTORS) LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Ordinary Shares of the Company will be CLOSED on 16th June, 1975 for the preparation of the Final Ordinary Dividend Warrants for the year ended 31st December, 1974.

By Order of the Board
YORKSHIRE REGISTRARS LIMITED,
Registrars.

Vincent Street
Sunbridge Road,
Bradford BD1 2PJ.

FIVE ARROWS FUND N.V.

N. M. *Rothschild & Sons Limited* has been informed that in respect of the year ended 31st December, 1974 a dividend of 24 cents (U.S.) per Share on Five Arrows Fund N.V. 10 cent Shares will be payable on 6th June, 1975, to holders of Shares outstanding on 30th May 1975.

Authorised Depositaries holding certificates issued on or before 30th May, 1975 should claim this dividend from the Marking Name in which the Shares are registered.

N. M. ROTHSCHILD & SONS LIMITED
Rothschild House
Whitgift Centre,
Croydon CR9 3PX.

GRESHAM INDUSTRIES LIMITED

NOTICE TO SHAREHOLDERS
DECLARATION OF FINAL ORDINARY DIVIDEND NO. 33.

NOTICE IS HEREBY GIVEN that a Final Dividend of 10 (ten) cents per share, making a total of 15½ (fifteen and one-half) cents per share, for the year ending 30th June, 1975, has been declared by the Board of Directors payable on the 25th July, 1975, to Ordinary Shareholders registered in the books of the Company at the close of business on the 20th June, 1975.

The dividend is declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency calculated at the rate of exchange ruling between Rand and Sterling on the 18th July, 1975.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom Income Tax at rates to be arrived at after allowing for relief (if any) in respect of South African Taxes.

The Company will, where applicable deduct the Non-Resident Shareholders' Tax of 15% from dividends payable.

As previously announced in respect of Interim Ordinary Dividend No. 32 of 5½ cents per share, the Ordinary Share Register will be CLOSED from the 21st June to the 11th July 1975, both dates inclusive.

Dividend Cheques will be posted on or after the 25th July, 1975

By Order of the Board.
I. B. MEHL Secretary.

Registered and Transfer Office:
220 Commissioner Street,
Johannesburg

London Transfer Office:
165 Kings Road,
Brentwood,
Essex.

SENTRUST LIMITED

(Incorporated in the Republic of South Africa)

Declaration of Dividend

NOTICE IS HEREBY GIVEN that a final dividend, No. 18 of 18 cents per share has been declared payable to ordinary shareholders registered in the books of the company at the close of business on June 20, 1975.

No instructions involving a change of the office of payment will be accepted after June 20, 1975.

The share transfer books and register of members will be closed from June 21, 1975 to July 4, 1975 both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on August 11 1975 or on the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders' tax of 15% will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Payment will be made by the transfer secretaries mentioned below, on or about August 21, 1975.

The full conditions of payment may be inspected at or obtained from the head office or the offices of the transfer secretaries of the company.

By order of the board.
GENERAL MINING AND FINANCE CORPORATION LIMITED.
London Secretaries
per: V. G. W. DAYNES.

London Office:
Friars House,
39-41, New Broad Street,
EC2M 1NJ.

Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford Kent, TN24 8EQ.

5th June, 1975.

TELEFONAKTIEBOLAGET L M ERICSSON

The proposal of the Directors to pay a Dividend of Sw.Kr. 6.00 per share of Sw.Kr.50 for the financial year ended 31st December, 1974 was approved by the shareholders at the General Meeting held in Stockholm on 5th June, 1975. This Dividend will be paid from 6th June, 1975 against presentation of Coupon No. 48.

Coupons (Series B) may now be presented by Authorised Depositaries on behalf of holders desiring to receive payment in sterling at the rate of exchange on the day of presentation, to the London Paying Agent:—

S. G. WARBURG & CO. LTD.,
Coupon Department,
St. Albans House
Goldsmith Street
London, EC2P 2DL,

from whom claim forms may be obtained. Form 18b must also accompany each lodgement.

Under the Double Taxation Agreement between the United Kingdom and Sweden, the Swedish Tax paid by the company is allowable as a credit against the United Kingdom Income Tax payable in respect of the Dividend.

S. G. WARBURG & CO. LTD.

6th June, 1975

FINANCIAL TIMES REPORT

Friday June 6 1975

Bradford

As a result of last year's local government reorganisation Bradford is now a vast new metropolitan district with a population of more than half a million. The area takes in Keighley, Ilkley, Shipley and Bingley as well as the old city of Bradford itself.

Working on a wider front

"IT USED to be a reproach against us that Bradford was a settlement rather than a community . . . of late years we have been proud to see an esprit de corps unknown before diffusing itself among us, with a justifiable price on the part of the inhabitants in their fellow townsmen and their town."

These words were written 116 years ago. The Bradford Observer was editorialising about the development of an area which had grown from a collection of villages clustered around a little stream that happened to be convenient for powering the wool textile industry into one of the great cities of the industrial revolution. More than a century later you could almost repeat the words. Bradford is going through another stage of its growth — as a vast new metropolitan district.

Gordon Moore works in an office high up the mock-Florentine City Hall. Once it was the town hall and Mr. Moore was Town Clerk. He could look out on a manageable Victorian city of around 290,000 people. Now as chief executive of the new district council he presides over a population of more than half a million and when he visits some of his farthest-flung outposts it means a car ride that can take him almost into Lancashire.

So the quest for a sense of community is just as real to-day as it was back when the Bradford Observer editorialised in 1859. The problems are even greater. The communities that have come under Bradford's umbrella with one stroke of a bureaucrat's pen are noted for their independence. For instance, there is Shipley—a small textile town which contains Victorian mill owner-philanthropist Titus Salt's model village of Saltaire, forerunner of the Bournvilles and the Letchworths of the south. Shipley fought Bradford defiantly through the 1920s to avoid annexation and to-day is not too happy about becoming part of the monolith.

Nor is Ilkley, the little grey stone market town whose moors Yorkshiremen sing about and in whose smart woolbroker belt houses they aspire to live when they've made their pile. Ten years ago if you had told an Ilkley man he was to become part of Bradford he would probably have pushed you off the Cow and Calf Rocks, training ground for many an Everest man.

Loyalties

Mr. Moore woos Ilkley—with its vast tourist potential—by calling it "the gem in Bradford Metro's crown." Even this may well be challenged by Haworth, another "independent state," home of the Bronte industry which attracted half a million visitors last year and is now part of the Bradford district.

Mr. Moore and his colleagues recognise all these loyalties and do not intend to stifle them. "The last thing we want to suggest is that Big Brother is watching you," he says. But, as a man who had great doubts about the boundary changes in general, he intends to make them work. His object is as much decentralisation as possible, "but not too much as this would defeat the whole object of the operation."

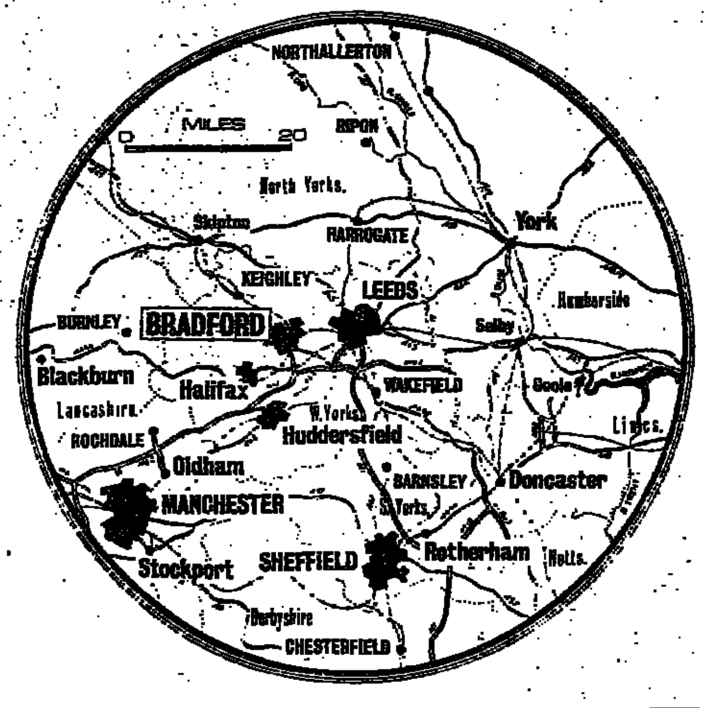
Talking to citizens now, one feels that a lot of the mindless "parish-pump" thinking is dying. True, you hear a lot of grumbling about water, one of the old Bradford city's triumphs with its beautiful reservoirs in the heart of Nidderdale. Citizens are facing a huge increase in their water rate and most are convinced the reason is that they are now subsidising a lot of newcomers from "out in the sticks."

They grumble, too, about difficulties in contact with the central authority, although the complaints are fewer than a year ago. The fact that the district council's offices are now scattered among about three buildings in the city centre instead of firmly based inside the old town hall isn't too popular. Mr. Moore's aim is to provide a point of contact in all the old townships for people to bring their problems—places where they can transact 85 to 90 per cent. of their local government business before taking on City Hall.

Like all local government chiefs, Mr. Moore is harassed by economic difficulties. He talks sadly about a trip several miles out to a nursery school, brilliantly staffed and run, but housed in buildings that are a disgrace and not being able to give any comfort. Once he thought it would take five years to get the new district really working—with the present economic climate he is now thinking in terms of eight years.

All the local officials complain about understaffing. "But we don't say too much about it," said one. "It's hard to convince people outside local government that we need more people, but we do in order to run a district like this as it should be run." Economic cutbacks make it unlikely that much can be done quickly about this situation, either.

Outside city hall, in the pubs and the shops, you don't yet see many signs of tightening belts. You do find a lot of optimism. "Bradford is losing its Coronation Street image," says Mr. Moore. This was echoed by a Chamber of Commerce official, but he talked about the "cloth cap" image. Certainly Bradfordians have always felt sorer than they have admitted about those old stories of newly-rich businessmen taking papers of fish and chips into the Midland Hotel and buying champagne to drink with them. They point out that their city may have many vulgarities, but it also has a soul—thanks to the injection of German-Jewish immigrant culture in the last century—and that J. B. Priestley's stories of elegant musical evenings in the fine old houses of Manningham Lane are just as much part of their history as cloth caps.



This Report was written by ALAN FORREST

Market

In the new city centre there isn't a cloth cap in sight. And it doesn't look much like the traditional Yorkshire. What can only be called "the mid-Atlantic look" has taken over. A waitress in an hotel restaurant talks about the new indoor market—"I went to Canada last year to stay with my brother. It was lovely. And when I went into the new market with its fountain and its modern look it was just like being in Canada again."

A little bit of Canada in West Yorkshire may not be everyone's cup of tea, but it was just one more indication of how outward-looking Bradfordians are becoming. It isn't a completely new phenomena—with its wool textile country one of the U.K.'s record export earners it couldn't be. But now the main hopes are fixed on Europe.

"You must be sick of hearing provincial businessmen telling you their town is the gateway to Europe and the centre of Britain," a man in the textile trade said as he sipped a Campari in the Victoria Hotel. "But with Bradford it's almost geographically exact." Certainly most people seemed sold on a "Yes" vote in the referendum. "After all," they say, "we were one of the first cities to get an EEC grant (to build a wholesale food market). It can't be bad."

Around the city, more signs of change. The old Midland Hotel—where Henry Irving drew his last breath just after "dying" on stage as Thomas A Becket at the old Theatre Royal, has closed its doors forever. But outside the city, on the edge of one of the big industrial estates and near the M1 motorway, a new Novotel hotel opened only last month. Its 135 bedrooms were booked solid for weeks ahead.

Fewer and fewer people you meet work in wool textiles. Not that it is a dying industry. It has simply been heavily rationalised. Nobody regrets the greater variety of jobs available in the area. But Bradford doesn't forget its past. The old derelict mill of Whitehead Brothers at Eccleshill—one of the great names in the local industry—has been opened as a museum of wool textiles right down to the mill owners house restored and refurnished as it was during the high noon of the trade.

The new look

HE WAS a "new Bradfordian." He had come to work in the city from Lancashire about a year ago. In the London-bound train, on his way to a business meeting, he was telling his fellow-travellers about his new house. Looking for somewhere to live out of the city rush he had hit on Skipton, a nice old market town with a castle, just inside the Craven Division of North Yorkshire and a half hour's car drive from his job. He had bought a 150-year-old cottage in the town centre for £2,200. Another £4,000 to £5,000 would turn it into a desirable home, he said. He grinned as if he had won the pools.

It is no use pretending that such bargains lurk in every corner of the Bradford Metropolitan District and its neighbouring authorities. But the countryside around those moors and dales make searching worthwhile. And certainly one of the dividends of living and working there is cheaper housing than anywhere south of the Trent. Jack Feather, who is the district council's principal housing officer, pointed out that it is still possible to buy a pleasant three-bedroom "semi" in a good district for between £6,500 and £7,500.

But the not-too-distant prospect of the dales is not the only attraction of this old industrial area. The old town centres have been cleaned up. A few years ago Bradford people were saying what a mess their new centre looked. They lamented that life had vanished from it. Old pubs had vanished. New ones had no life. But now, with a Western saloon in the ABC Complex on Broadway and at least two restaurants in the district that are top-rated in every good food guide including Michelin, things are looking up.

The stage has been set for a better-looking city by the knocking down of many of the city's old back-to-back houses. It has taken a long time when you consider that as far back as 1870 a Government committee recommended that this type of dwelling was undesirable. The Listerhills area, which contained many of them, has been almost cleared. This has caused a few grumbles—why, it is asked, weren't better houses built on the spot instead of using it for an extension to the university?

Bradford has a long tradition of social reform and high thinking. It lives uneasily with the soggy pork pies and warm light ale at a Yorkshire cricket match. But they do live together, miraculously.

Founded

It was the birthplace of the nursery school, under the indomitable Margaret McMillan. Free school meals began there—at a school whose headmaster was novelist J. B. Priestley's father. The Independent Labour Party was founded there and you hear even diehard Tories in Bradford boast about it, which proves that pride in history cuts right across political lines.

Its education record has always been a good one. Its grammar school has a fine academic record—among others, it produced Denis Healey, although few people have been heard to boast about that recently. "At least Balliol bears some of the blame for that," a grammar school old boy said to me the other week.

It built one of the first of the great Victorian concert halls outside London and The St. George's Hall is still going strong. It has a tradition of choirs, symphonies and massive political meetings.

This tradition remains while a lot of the city's old ugliness has gone. There have been examples of throwing away the baby with bath water — in redeveloping Bridge Street, a

CONTINUED ON NEXT PAGE

Testing time for industry

PEOPLE USED to say that Bradford's industrial heart was big and dirty. A lot of the dirt has gone, and with it, maybe, some of the prosperity of traditional industries. But now it has several hearts and planners face a tough job to keep them all beating.

For instance, Keighley, once a borough in its own right, and now part of the Bradford Metropolitan District, has a sizeable industry, big mills and busy engineering works. Shipley, where the mills and factories almost literally spread on to the moors, has joined Bradford. So has Queensbury, the hilltop village, which houses the huge John Foster Black Dyke Mills, home of Britain's top brass band.

These are just a few examples that show how the industrial challenge in this corner of West Yorkshire has taken on a new dimension. Industrialists are invited to "think metropolitan" as well as "think European."

But even in the tough times that face these old manufacturing towns, there are signs that the challenge is being met. At Bradford's Chamber of Commerce, secretary Donald Woodcock talks long and convincingly about the opportunities.

He, in common with the City Hall planners, wants to see more industry come to the area, growing service industries, especially, which can cushion the population from the worst effects of a slump in manufacturing. Mr. Woodcock is a good evangelist for the district. "Apart from coming into an area where we breed real hard workers," he says, "an incoming management can do its work and in 20 minutes be into some of the loveliest countryside in Britain. And this isn't a version of the old seaside landlady's claim about being two minutes from the sea. Our claim is literally true."

You can certainly see the environmental advantages if you go to a place like Shipley. Up there a worker doesn't have to wait until finishing time for a brisk blow on the moors. He can reach them during his lunch-break.

At City Hall, Mr. Harry Bexan, Bradford's industrial development officer, has similar visions. He is hoping for new companies, not only factories but a share for Bradford in commercial development as a result of the moves from London masterminded by the Location of Offices Bureau. And perhaps an extension of the city's already considerable mail order industry, represented by Empire Stores and Grattan Warehouses.

Estate

A typical development geared to these hopes for the future is the Euroway industrial estate, on the city's outskirts and near the motorway, an area which is constantly attracting the interest of companies from outside Yorkshire.

There are varying shades of opinion about the shape industrial development in the area should take. But all shades of opinion are agreed—that Bradford must escape from the image of a one-industry city, which it never has been.

People outside sometimes see it as a grey complex of wool textile mills. Certainly wool was the city's making—the name of Woolopolis was one of which it was proud, and even now 25 per cent. of the population work in the industry and many more in jobs directly connected with it.

The industry's leaders do not see wool as a dying industry there. Certainly there have been problems—most recently the battle to maintain stability after a period when, against the whole trend of world commodity prices, wool prices slumped. This came at a time when wool was going through an intense rationalisation period, where efficiency and viability were being built up for the future—at the cost of a large number of jobs.

Anoter problem for the industry during recent years has been the decline of its "doorstep" market—the multiple tailoring factories of Leeds only nine miles away. Once worsteds from Bradford and Huddersfield had an instant sale there, but Bradford industrialists have seen lately the multiple tailors turning more and more towards retailing and running down manufacturing—filling the racks of their shops with cheap suits from countries like Taiwan or the Eastern European nations.

But the wool textile industry's export record is still to be envied. In the first seven months of 1974 its overseas sales totalled £148.5m. It must be the only industry whose biggest overseas competitor, Japan, is also its biggest foreign buyer. A Yorkshire worsted suit in Tokyo will cost £250.

The industry's confidence is shown by the way some of the big companies have gone ahead with investing in recent years, in spite of hard times—companies like Bulmer and Lumb and John Foster.

But now the engineering labour force in the district is almost as big as the textile labour force. Bradford is the location of one of the main factories of GEC-English Electric and Hepworth and Grandage have their main field of operations there.

The mail order business has grown tremendously. The city, too, was the birthplace of the clothing check business. Provident Clothing Supply, founded by the Waddilove family, a name known to every Bradfordian who has ever supported local football, is a big employer of labour. Lucas Aerospace's factory is at Thornbury, and two miles out of the old city centre, at Lidget Green, is one of the world's biggest colour printing and boxmaking works, now part of the Reed Group.

Tough

The area is having its troubles, of course. The energy crisis and the collapse in world wool prices hit it badly. You meet a lot of unemployed building workers (you do everywhere in the present economic climate, but maybe it is harder to take in Bradford where the workers had such fat years during the tearing apart of the Victorian city centre for huge new office blocks and shops).

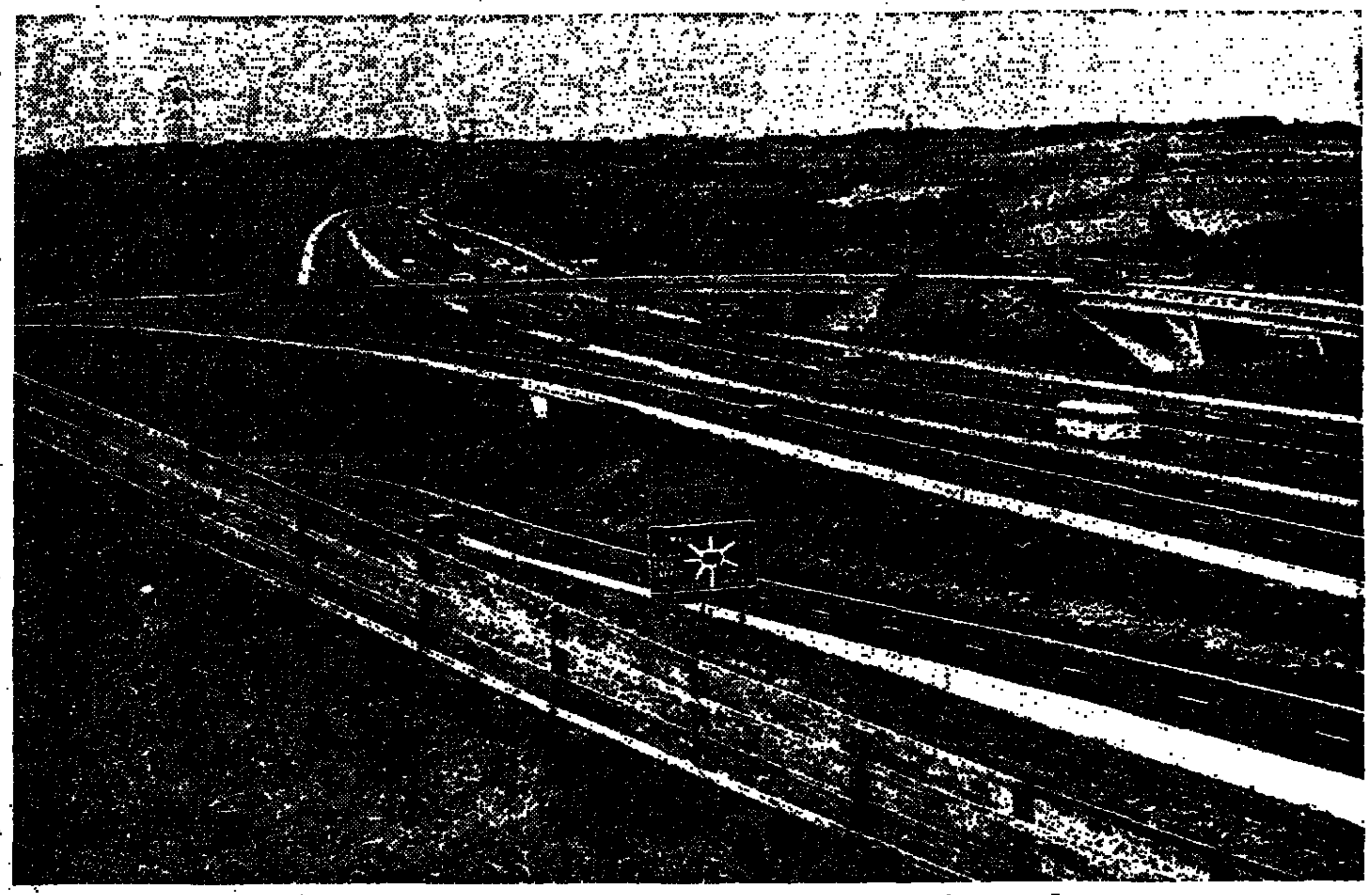
Few people are letting pessimism weigh them down. There was a man in a city centre bar, an engineering sales executive, who silenced the pub by starting a conversation "Last week when I was in Nicaragua . . ." That all over, he went on to say: "We know we've got a tough year ahead, but once we're over it, up here we believe the North will never be denied its fair piece of the cake again. Up here is where it's all going to happen—I mean there's no real reason why London should always be the capital."

Such Yorkshire "nationalism" is catching, particularly when it is combined with a determination to get the best out of Europe. Bradford believes it is being more European-minded than its neighbouring city of Leeds (also a metropolitan district). It quotes its support for the lengthening of the runway of the Leeds-Bradford Airport at Yeadon as evidence.

Leeds is fighting the runway plan, ostensibly on environmental grounds. So is the West Yorkshire Metropolitan County Council, the super-authority to which Bradford and Leeds belong. Those two authorities want a completely new Yorkshire Airport built. But Bradfordians believe that cannot come for a long time, whereas a lengthened runway at Yeadon is a foreseeable development.

Bradford District's chief executive, Gordon Moore, believes the winning of the runway battle is vital to the business and economic life of the region. "I can't see a new regional airport coming about for 20 years," he says. "And if we don't do something about Leeds-Bradford's runway, we'll be left with an airport that major airlines may cease to use because it won't take the larger jets." Bradford claims the backing of most go-ahead industrialists and already two big West Yorkshire companies, Rank-Wharfdale and ICI Dyestuffs, have joined them in the fight by giving evidence at inquiries.

In spite of the optimism that is expressed with such Yorkshire aggressiveness, it seems obvious that a lot of it will be put to a severe test over the rest of this year. But it seems unlikely that anything will drown the enthusiasm.



The M62 near Bradford. Good communications are attracting new firms.

New look

CONTINUED FROM PREVIOUS PAGE

collection of fairly worthless old buildings around the old Exchange Station, one of the city's only considerable Regency buildings, the old Queen's Hotel, was laid low. And Swan Arcade, a well-loved mock-Italian cluster of shops and offices, went in the central redevelopment. But the verdict *on the new city centre is, on* the whole, complimentary.

Housing chief Jack Feather has a sharp reply for people who suggest more old houses should have been preserved for historic reasons. "I'm not in favour of such monuments," he says. "It may be interesting to look at a house and say 'So-and-so used to live there.' But I'm more interested in saying somebody's living there now."

What Bradford has done is to modernise many of the excellent council houses it built in the late 1920s and through the 1930s. The cost is round about *£4,000 a house and the return* on the rental nowhere near covers the cost. But Tory-controlled Bradford is a "selling" authority. It believes ownership is important. And from surveys taken around the city, its tenants and potential householders agree. Basically, the belief is that a city of home-*owners will be a better city.*

Leisure

Looking to citizens' leisure is the job of the district council's Recreation Department. At its office in a new block 150 yards away from the City Hall, Harold Williams, the chief recreation officer, makes your head spin with figures for new sports centres, indoor pools, outdoor pools and squash courts and takes pride in the fact that Bradford is one of the few authorities that not only owns but runs its own traditional, *professional* theatre, the Alhambra.

With Ilkley and Haworth within their boundaries Bradford can now launch itself into the tourist industry. Ilkley has a splendid potential never fully exploited, which can hardly be said for Haworth which was recently described by a woman *novelist making her first trip* there as "just as horrible as Stratford-on-Avon." It isn't. The village itself, with Bronte ice cream and special Bronte teas, is hard to take, but it is all worth it for the bleak windy moorland walk stretching right into Lancashire.

Ilkley has just held a festival of literature. Among its sponsors was the Bradford Metropolitan Council. Authors and poets—ordinary readers—took over the town for a week. The "star" was Conor Cruise O'Brien, that Irish politician, wit and author and reports are that it was a big success.

Bradford's Wool Exchange.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSING

Film prints without chemicals

A DRY process for producing black and white positive prints from 8mm, Super 8, 16mm and 35mm film and microfilm negatives, *without the use of a darkroom or chemicals*, is being launched in the U.K.

Developed by Metro/Kalvar Inc. (Connecticut) the process is used in the U.S. for producing television and cinema release prints, as well as workprints, film strips, slides and microfilm.

Basically, the process uses ultraviolet light to form a latent image on a tough thermoplastics-coated polyester stock, an image which is then stabilised by heat and fixed permanently by further exposure to ultra-violet light. The process of exposure, development and fixing are combined to give immediate printing rates of about 100 feet per minute, under normal room lighting conditions.

In Metro/Kalvar prints, the opaque areas of the developed image are composed of light scattering centres, rather than light absorbing grains or dyes used in *conventional silver halide films*, to give high resolution and grain-free projection characteristics.

The stock—which can be supplied with a pre-applied magnetic sound recording stripe—is claimed to be impervious to water, oil and grease and highly resistant to scratching and other environmental and mechanical stresses.

The cost of producing black and white prints is claimed to *be highly competitive* and to be relatively constant compared with the ever-rising costs of the chemicals required with traditional darkroom facilities.

Film Facilities (Magnetic), is at 3, Springbridge Mews, Ealing Broadway, London W5 2AB.

Foil can replace plating

BRIGHT CHROME foil has been introduced in the U.K. by Fasson Industrial Division as a replacement for electroplating and part metallising. It is intended for exterior and interior applications in the automotive and domestic appliance industries.

Known as Thermark, it is based on a polyester carrier coated with a layer of metallic chromium protected by a number of insulation and abrasion resistant coatings. Hot stamping *is used to apply the foil to the* substrate.

Applications include radiator grilles, tail light clusters, side lights, body trim, instrument surrounds, badges and all forms of decorative brightwork trim, says the company.

Main advantages of hot foil stamping over conventional finishing processes lie in cost savings and it can show a 50 per cent. reduction in cost compared with electroplating a component the size of a radiator grille, claims the maker. Compared with vacuum metallised finishing the process shows a 75 per cent. saving in the production of trim, badges and emblems.

Details from Fasson Industrial Division, 18 Frogmore Road, Hemel Hempstead, Hertfordshire (0442 63031).

Exchanger for food production

CAPABLE OF optimum transfer of temperatures from minus 50°C to plus 140°C, a heat exchanger has been developed for the food and confectionery industries by Euromatic of Amsterdam, Holland.

Thermomatic is a dynamic exchanger for pumpable masses of almost any type of food from dairy products to chocolate, jam and processed cheese. The unit has a spiral rotor machined from a solid piece of stainless steel which, powered by a variable speed 2 hp motor, rotates within a fixed inner and outer tube through which the heating agent *or coolant is pumped. The rotor* has a worm type pump action which transports at 500 rpm approximately 500 litres per hour, depending on viscosity and back-pressure.

All transfer media such as water, brine, ammonia or Freon for cooling; or water, steam or Dowtherm for heating, are suitable. One-piece construction of the rotor enables the Thermomatic to be sterilised in-line or *dismantled in a few minutes.*

Euromatic equipment is marketed in the U.K. by European Process Plant, 175 High Street, Banstead, Surrey, SM7 2NT. Burgh Heath 52988.

● HANDLING

Conveys cylindrical components

A CONVEYOR system has been designed to convey parts automatically between individual *machine operations.*

Known as the Sincon system, it is being made and marketed by Moon Brothers, Beaufort Road, Birkenhead, L41 1HE (051-652 1527), under licence from Phillips and Roberts, the company which invented the conveyor.

Suggested applications include the motor vehicle and engine manufacturing industries, and it is claimed use of the system can increase production rates and cut costs. *Maintenance is stated* to be negligible.

It can transport any unstable, cylindrical object such as layshaft gears, half-shafts, pinions and crankshafts, from one machine operation to the next. It will operate between machines working at different production speeds and give maximum storage with no lost machine cycles, eliminating production gaps and downtime associated with conventional conveying equipment. Line pressure is avoided as components are kept apart during transportation. Non-cylindrical components can be carried on a trolley riding the conveyor.

Sincon relies on gravity and a drawbar drive with the minimum of electrical equipment and no separate consoles or control plant. A ½ to 2 hp electric motor is required every 10 metres—or hydraulic or pneumatic rams may be used.

Although the drive runs continuously, components placed at one end of the unit are automatically transported through a rolling action up to the furthest vacant position next to where *there is already a component* waiting. As a component is lifted off, the remainder move one space along. When there is no vacant position, working parts and components are stationary.

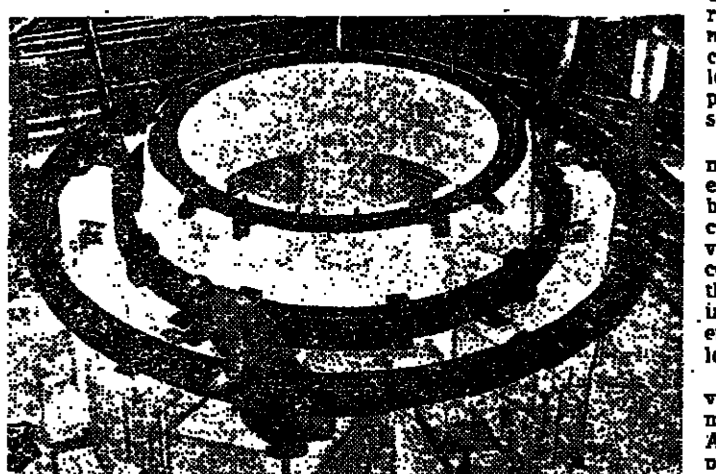
Components are arrested at the lift-off position until removed by either a human or mechanical hand or fed down a chute. Components can be loaded without being accurately positioned and if stacked will be separated into individual units.

No synchronisation is necessary between machines at each end of the conveyor, nor between any machine and the conveyor. Switches can be provided at both ends to ensure that components are not loaded when the conveyor is full and to indicate that there is a component in position ready to be off-loaded.

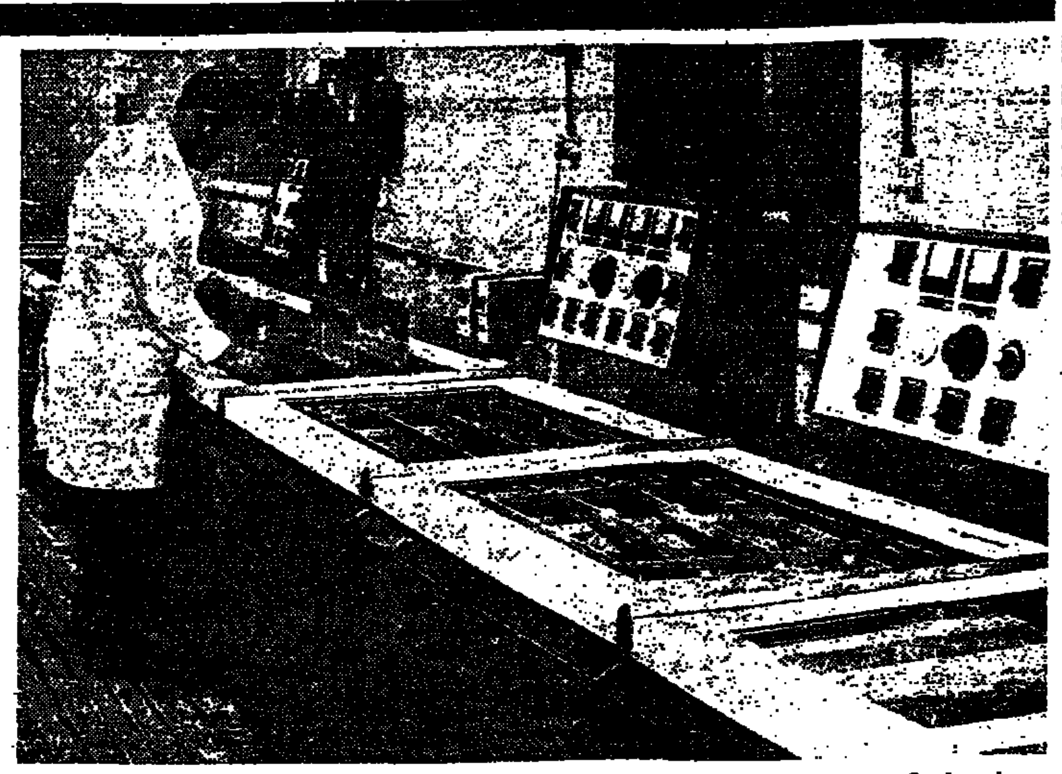
Sincon can be supplied in a variety of widths, and in light, medium or heavy construction. Any length or height can be provided and the conveyor can handle a number of different *components of varying* diameters and lengths with little or no adjustment.

Conveyors can operate on gradients up to 40 degrees, depending on the component handled. Articles can be handled at varying delivery speeds and additional devices are available for pick-up, let down and turn over/around. To prevent damage to polished items, a checking system reduces impacts.

Moon Brothers is a member of the Doulton Engineering Group, a subsidiary of S. Pearson and Son. The launch of Sincon marks its entry into the conveying market.



The electro-magnetic coil seen here being installed at the Max Planck Institut fur Plasmaphysik in Munich is one of ten ordered at a cost of £250,000 for research into controlled thermo-nuclear fusion. Largest of the coils, which are in different shapes and sizes, is now being made and when completed it will weigh 17 tons. They are being produced by Lintott Engineering, of Horsham, Sussex, a member of the Ayling Industries Group. Six coils have already been delivered and two more, each 22 feet in diameter and weighing 2½ tons, are now being mounted into specially designed frameworks which will maintain their shape while in transit to Munich. These are due to leave Horsham this Sunday.



Part of a gold-plating line for printed circuit boards which has just come into operation at the Chichester, Sussex, factory of Bribond Printed Circuits and marks the near completion of a £250,000 investment programme. This new line consists of 12 Swiss-made "Modulex" units, imported by Oxy Metal Finishing, of Chirk, Derbyshire, and contains 20 treatment tanks. *Up to 32 linear feet of printed circuit boards can be plated at one time,* starting with the pre-treatment tanks and continuing through board and edge-connector plating tanks to acid-dip and final rinse. Bribond has designed its plating lines, whether for *copper, tin-lead or gold, to* be completely self-contained. Cleaning and pre-treatment solutions on all three lines are kept separate, and operators remain with their own line.

● COMPUTING

Calculator control for test system

ALMOST ANY signal that can be measured with a digital multimeter, electrometer or nanovoltmeter can be automatically read, processed, entered into calculation and the results printed out exactly as desired using System 1 recently introduced by Keithley Instruments.

Based on a multi-function fully programmable calculating unit with integral printer, the system allows direct plug-to-plug connection of the company's multimeters, scanners and other instruments via an integral interface. Other makers' instruments can be accommodated.

Up to six multimeters and 160 channels of microvolt and picoamp input can be controlled in the maximum configuration, and any of them can be read by a few keystrokes or alternatively control information sent to any component in the system.

System 1 can be easily altered or expanded as applications change: a complete line of hardware interfaces and associated software can be purchased when convenient.

Programming in simple language by magnetic card is offered and continuous data accumulation is possible: the system can operate unattended, for example, over week-ends.

When the system is not needed on a full-time basis it can be quickly broken down and the instruments used individually. Re-assembly is just as easy and the magnetic card program gets the system on-line in minutes.

A particular advantage is that manual transcription of data is minimised and massive data volumes can be handled with *ease—in laboratories the system* will permit experiments that would otherwise be impractical due to manpower/time/cost considerations. Further information from the company at 1, Boulton Road, Reading RG2 0NL (0734 861287).

Fast card embosser

INTENDED FOR the smaller card user is a high speed plastic card embossing and encoding machine with a throughput of 500 cards/hour from Rapid Data, New Lane, Havant, Hants. (07012 6444.)

Encoding options available include magnetic stripe for cash dispensing and financial terminals and OCR character printing techniques developed for point of sale applications.

Data is fed into the new model 500 via magnetic tape with full parity checking. Keyboard entry can be provided optionally, as can a high speed printer operating simultaneously with the embossing and encoding, useful for printing labels or address carriers for mailing the plastic cards.

The machine can also be applied to metal plate embossing for product identification in the motor car and appliance industries.

● CONFERENCES

Talk about quality

CURRENT interest in methods of on-press quality control and control of print bearing the Universal Product Code is reflected in the papers submitted for the Sira/Pira/IARIGAI conference "Instrumentation for quality control in the printing industry" to be held on November 6-7 1975, at the Hilton Hotel, London.

The conference will cover four main areas: raw materials, reproduction, print production, and end product inspection and performance testing. It is intended for managers and technologists with responsibilities for quality assurance.

The standard of papers submitted for the conference was so high that selecting 20 for presentation proved a difficult task. Papers from Denmark, Finland, East Germany, West Germany and Switzerland are included in the final programme.

The fee for the conference is £69 to members of Sira, Pira and affiliates to IARIGAI institutes, and £79 to non-members (plus VAT at the current rate for U.K. organisations only); exclusive of accommodation.

Further details from Mrs. R. G. Keiller, Sira Institute, South Hill, Chislehurst, Kent BR7 5EH. (01-467 2636.)

● INSTRUMENTS

Monitors the purity of water

FOR THE continuous indication and control of water purity two electrolytic conductivity meters *covering the range zero to 10,000* microsiemen/cm have been put on the market by The George Kent Group.

The instruments automatically monitor the concentration of soluble impurities in water and operate switches or alarms when the concentration reaches a predetermined level.

CK22 is an instrument suitable for many industrial applications and available with 10, 100, 1,000, or *10,000 microsiemen/cm* full scale deflection. It has fully automatic temperature compensation. Model CK23 has three switched ranges without temperature compensation and there are two models.

The CK23/A is 1,000 units FSD when used with a cell constant K=0.1 and typical applications include reverse osmosis equipment, distillation and demineralisation plant. The "B" version *extends to 10,000 units with cell* constant K=1.0 and is suitable for general industrial applications. Inquiries to Electronic Instruments, Hanworth Lane, Chertsey, Surrey, (09328 62671).

LABOUR NEWS

Unions consider £10-£13.75 basic wage rises for 57,000 ICI workers

BY CHRISTIAN TYLER, LABOUR STAFF

UNION BRANCHES in Imperial Chemical Industries' U.K. plants will to-day start considering an average 26 per cent. pay offer to the company's 57,000 manual workers.

The offer, which means cash increases of £10 to £13.75 a week on basic rates—at present £34.10 to £49.84—emerged from national talks in London with eight unions on Wednesday night.

The union negotiators are making no recommendation on the offer, which at a cost of about £50m. in a year is less than half the value of their initial 55 per cent. claim.

The 26 per cent. average rise is all "new money," and some grades will get up to 29 per cent. Details of the proposed deal are going to branches of the main union involved, the Transport and General Workers' Union, to-day. Replies from them and from members of the General and Municipal Workers' Union are expected in about ten days.

Some 60,000 manual workers in the other big chemical companies are considering quite separate offers worth 23 per cent. of "new money" on national rates.

Here, too, the employers' body, the Chemical Industries Association, expects to hear union branch reactions in a week or two.

The association's offer affects only the national rate, which in most cases is the basis for further negotiations at plant level.

While the "new money" increase is worth 23 per cent., consolidation into basic rate of existing bonus and other payments would raise the rate by over 35 per cent., from 61.3p an hour to 83.3p an hour.

The last principal Chemical Industries Association agreement was in May, 1974, but this was "topped up" after the end of Stage Three to make 17 per cent. over the previous year. A £1.20-a-week threshold payment was added to this.

The association's negotiations cover 50,000 general and process workers. About 12,000 craftsmen have had broadly similar offers.

There is no set date for implementation of the ICI agreement. As in the association's offer, a threshold of £1.20 a week was added to a 17 per cent. deal after the end of Stage Three.

The ICI unions are also pressing the company to give them more details of a £350m. investment programme. They want to know its timing and direction, being anxious to keep as much of it as possible in the U.K.

Mr. David Warburton, a national officer of the GMWU, told the union's annual conference in Aberdeen yesterday that the chemical industry had reacted "almost hysterically" to union demands for disclosure of more information on their long-term terms.

He also accused Pilkingtons, Britain's major glass-maker, of having decided on an "investment strike" after the last election because it was opposed to the Labour Government's tax policy. He said the company wanted a "blank cheque" to lose 2,000 more workers, having shed some 1,300 since last September.

Mr. Warburton rejected as "totally unacceptable" Pilkingtons' pay offer for 9,500 workers. The offer would increase basic rates from £33.25 a week to £40, but only £2.70 of this would be "new money," he said.

Jack Jones tries again in Chile

By Our Labour Reporter

MR. JACK JONES, general secretary of the Transport and General Workers' Union, is to take part in a new attempt by the International Transport Workers' Federation to investigate the condition of trade unionists under the Chilean military junta.

An ITF delegation, including Mr. Jones, was refused facilities for an investigation when it arrived in Chile last December. Now the ITF has decided to organise another delegation in the next few months and to insist that the Chilean Government honours promises of cooperation which it gave when last December's mission was abandoned.

The ITF investigation coincided with a visit to Chile by an International Labour Organisation commission which had been sent to examine charges of violation of trade union freedom.

The commission has recently published a report which highlights specific cases of repression of trade unionists and claims evidence of the execution of trade union officials.

The ITF mission will concentrate specifically on the plight of Chilean transport workers. Before leaving Britain it will demand guarantees that it will be free to travel and that it will have access to trade unionists in prison.

P.O. warns that recession has halved phone rentals growth

BY OUR LABOUR STAFF

BRITAIN'S telecommunications service, previously expected to break even during the 1975-76 financial year, has been badly hit by the economic recession, delegates at the Post Office Engineering Union conference in Blackpool were warned yesterday.

Demand for new telephone installations has started to fall off sharply and the Post Office is thought to be considering a new round of price increase, although this was not confirmed at the conference.

The forecast of a big drop in the growth rate of the Post Office telecommunications business was given to the 700 POEU delegates from a letter sent to the union's general secretary, Mr. Bryan Stanley, by Mr. Kenneth Cadbury, assistant managing director of the Post Office.

Mr. Cadbury's letter promised joint consultations to plan manpower requirements to avoid redundancy fears, and to encourage continuation of policies on re-training and co-operation in higher productivity.

The letter indicated that growth prospects were particularly affected in the business sector of the telephone service, as well as by the implications of an investment cut mentioned in the last Budget.

The letter pointed out that Post Office regional directors are now reviewing earlier estimates, firstly by assessing the prospects of stimulating demand to make full use of available resources, and secondly by searching for economies without lowering the quality of service.

After yesterday's conference session Mr. Stanley commented: "The decline in economic activity has mean that some firms have gone out of business altogether and others are very economy conscious and are not ordering new phones, or are having phones taken out, as well as encouraging their employees to use the phone less and keep down the length of phone calls.

"All that has an effect on the telecommunications service, and on top of that the increase in tariffs may well have some effect, even if it is temporary."

Mr. Stanley stressed that he did not fear redundancies among Post Office engineers, or a real fall in telephone business, but he estimated that the growth rate in the number of new phones installed might be halved, instead of expanding at the rate of 8 per cent. a year as it has recently.

Plea for Works Councils

BY OUR LABOUR STAFF

WORKS COUNCILS, similar to those which have been set up in a number of European countries, have been recommended by an industrial relations team organised by the Working Together Campaign.

Following a five-nation tour of Europe the team, composed of managers, personnel specialists and trade unionists, concludes that it "should be possible" to create a general structure of works councils in Britain based on the Continental model.

Where a plant or company is unionised "it would probably be inevitable for the Works Council to be unionised," says the Working Together report, which adds that a thorough training programme would be needed for both workers' representatives and for management for the Council system to function properly.

The industrial relations team was very impressed by "the co-operation of all parties in Austria" and recommends similar tripartite co-operation in Britain between the trade union movement, the Government and the CBI.

Bank workers reject 22.5% pay offer

A 22.5 per cent. pay offer to 20,000 bank messengers, engineers and maintenance men in the English clearing banks was rejected yesterday by the National Union of Bank Employees.

A NUBE spokesman said that to accept the offer would mean a cut in living standards, since price increases would be rising at 26 per cent. to 30 per cent. a year by the implementation date this month.

The five banks' 180,000 white-collar staff have accepted a 22.5 per cent. deal running from July—one of the new big settlements this year to stay well within the social contract.

The employers, who were last year severely criticised by the Government for paying big wage rises, were this year helped by employees' fears of a wage freeze late in the year.

GMWU urges retirement at 60 for men

BY LORELIES OLSLAGER IN ABERDEEN

THE GENERAL and Municipal Workers' Union, Britain's third largest trade union, has called for a reduction of the retirement age for men to 60 years.

A resolution passed by the union's annual conference in Aberdeen yesterday said that this would be in line with the concept of equal rights for men and women.

The GMWU suggested however that introduction of the earlier retirement should be phased over a period of five years, the age being reduced in five equal steps to ease the burden on industry. The union also demanded that pensions should be directly related to national average earnings and the cost of living index.

In line with its efforts for greater participation by the rank and file, the union yesterday also decided to give a more formal structure to the industrial conferences it has been holding for a number of years, at which members have the greatest chance to express their views. The annual conference is very much dominated by the all-powerful regional officials.

Annual conferences will in future be held regularly for 18 industries, including shipbuilding, engineering, local authorities, chemicals and gas. They are to discuss and shape the industrial and bargaining policy for the sector involved.

BL stewards threaten

By Our Labour Staff

NEARLY 400 Rover shop stewards at British Leyland's Solihull car plant yesterday initiated moves which could lead to them staging industrial action over a long-standing pay claim covering 10,000 workers.

Rises of 20p to 60p a week offered by the management on top of £6 interim rises awarded in January to 10,000 workers in seven factories are regarded as inadequate by the stewards. Improvements have also been offered on holidays, paid lay-off days, and shift and overtime premiums.

Dockers 'black' U.S. rig

ABERDEEN DOCKERS and ship repair workers are to boycott American drilling rig operators Odeco over the dismissal of a rig worker.

Mr. Bill Reid, spokesman for the inter-union oil committee which has been campaigning for unionisation aboard North Sea oil rigs, said in Aberdeen last night that the dockers would be meeting this morning to review the situation.

The committee had received backing for their action from Norwegian trade unionists, he claimed. The dispute arose in April when an assistant derrickman was dismissed after a crane was damaged aboard the rig Ocean Victory.

Communist Party calls for redistribution of wealth

BY MICHAEL BLANDEN

GOVERNMENT POLICY on the question of poverty is "totally defeatist" and the measures implemented since Labour's return to office are "absurdly inadequate to their declared purpose of a 'fundamental shift' in the balance of wealth," says the Communist Party of Great Britain.

In a 5,000-word statement to the Royal Commission on the Distribution of Income and Wealth, the party calls for a "general and conscious attack on the social structure which is reflected in the existing distribution" in order to secure a fairer spread of income and wealth.

New taxes at effective levels on wealth and high incomes can play a part in this, the statement argues, as can a rigorous enforcement of existing tax legislation. But "such measures must be combined with a wide extension of public ownership into the most important sectors of the economy, under democratic management which can start to sever the ruling class from the sources of its wealth and power."

The statement says that from around the later 1950's the trend has probably been towards greater inequality of income. In relation to the distribution of income, the statement maintains that global figures may conceal many of the realities of the situation, including the accumulation of evidence in the last 10 years of the "most widespread and persistent poverty."

AUEW ruling delay likely

By Our Labour Staff

A COURT ruling on the Amalgamated Union of Engineering Workers' decision to abandon postal balloting is unlikely to emerge until next week

Injunctions against the AUEW will be sought in the High Court to day by Mr. John Weakley, one of two moderate delegates disqualified from voting at the union's recent rules revision conference.

But counsel for the union, Mr. Ralph Gibson, QC. is expected to ask for an adjournment until Tuesday.

Meanwhile, the High Court will also hear to-day a case brought by Massey-Ferguson, against over 300 named workers in Coventry who have been occupying their factory.

Foreign car sales up in U.S.

DETROIT, June 5.

ACCORDING to a Wall Street Journal survey of leading car makes, foreign car importers retailed about 137,500 cars in the month, up from 114,500 they sold in the year-earlier month when sales were depressed by rising prices and generally poor market conditions.

Import dealers captured nearly 19 per cent. of the U.S. market in May, down from the 22 per cent. they have obtained for three consecutive months, but still a bigger-than-usual share.

Despite strong overall gains, some foreign car makers showed some weaknesses last month. Volkswagen of America Inc., the leading U.S. importer, reported a 6 per cent. decline in May sales from a year earlier. The parent Volkswagenwerk AG, which has been revamping its entire car line, has experienced reduced production because of the model changeover and extensive financial problems.

AP-DJ

FINANCIAL TIMES REPORT

Friday June 6 1975

INTER-CONTINENTAL HOTEL HYDE PARK CORNER

Virtue in bold design

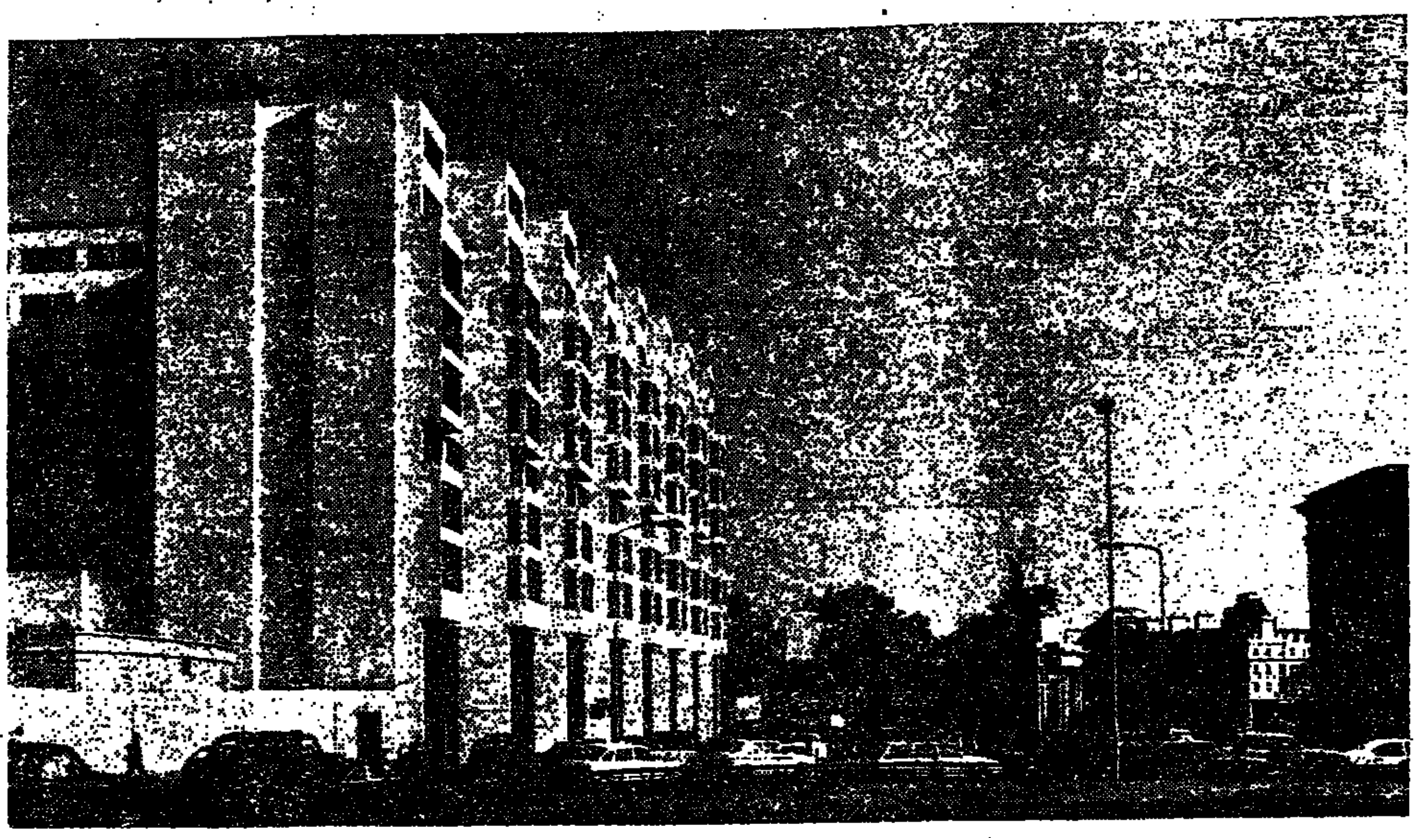
BY H. A. N. BROCKMAN, ARCHITECTURE CORRESPONDENT

THE OPENING of a new hotel building at Hyde Park Corner is an event of importance and its appearance and relationship to the surroundings is of great significance to London and to Londoners.

Before the war Piccadilly comprised a long procession of facades of varying quality but of fairly consistent height, with a terrace of tall Victorian mansions between the narrow Hamilton Place and the lower and classical Apsley House at the end next to the Park. The war dealt with one or two of the tall Victorian mansions and a new carriageway was subsequently driven through the gap on the eastern side of Apsley House. This left the house in isolation, exposing an unsightly eastern flank wall. once "party" with the adjoining mansion. This wall has now been very well dealt with in the general style of the House giving it an even more individual and complete appearance in its insular position.

When the time came to design the hotel it was contended that the design should be devised in accordance with the scale and height of Apsley House, but Sir Frederick Gibberd, the architect, considered that the new hotel building should provide an emphatic termination to Piccadilly, maintaining the scale and general height of the street frontages to the east. Hamilton Place, however, is a traffic-laden street which breaks the Piccadilly range he was so anxious to complete. But as Sir Frederick so reasonably explained, Hamilton Place is narrow "and the hotel and the buildings on the opposite side are tall so that in the views from Hyde Park Corner and Piccadilly the street closes up and the hotel becomes one with Piccadilly."

This very important decision has been well justified in the general design and scale of the hotel exterior. It now forms the legitimate termination to Piccadilly with an equally important frontage along the carriageway facing the Park. Nevertheless, unlike the strident tower of the Hilton it does not rise "in silhouette above the general building mass of Mayfair" and cannot be seen from the open grass areas inside the Park.



The hotel (left) seen across Park Lane, with the Quadriga in the centre background and the east wall of Apsley House on the right.

Character

The hotel is designed with one continuous elevation from the north end of the carriageway, easing round in a gentle curve on to the Piccadilly frontage. The facade has been given considerable character by projections and recessions throughout, with a broken vertical emphasis of projecting bays similar to that of many of the frontages in Piccadilly. A horizontal division, breaking a too severe verticality, is provided by a "basement" treatment embracing the two first storeys where the public rooms are located, the upward termination of the Piccadilly front forming an "attic" comprising the high windows of the bar and discotheque on the seventh floor. The building is clad in Portland stone and presents an interesting and dignified face to its park-like surroundings: a considerable achievement in a building with so cellular a content as 500 bedrooms.

The vehicular approach is by way of Hamilton Place, where cars turn in at the northern end of the building. A ramped road goes down under the building to the car park and goods area and the car and taxi delivery and pick-up has an undercover approach recessed under the building for its entire eastern flank, taking up the height of the ground and first storeys, and shielded from the street by the outer structural columns.

Main doors deliver from the "porte-cochere" to the foyer

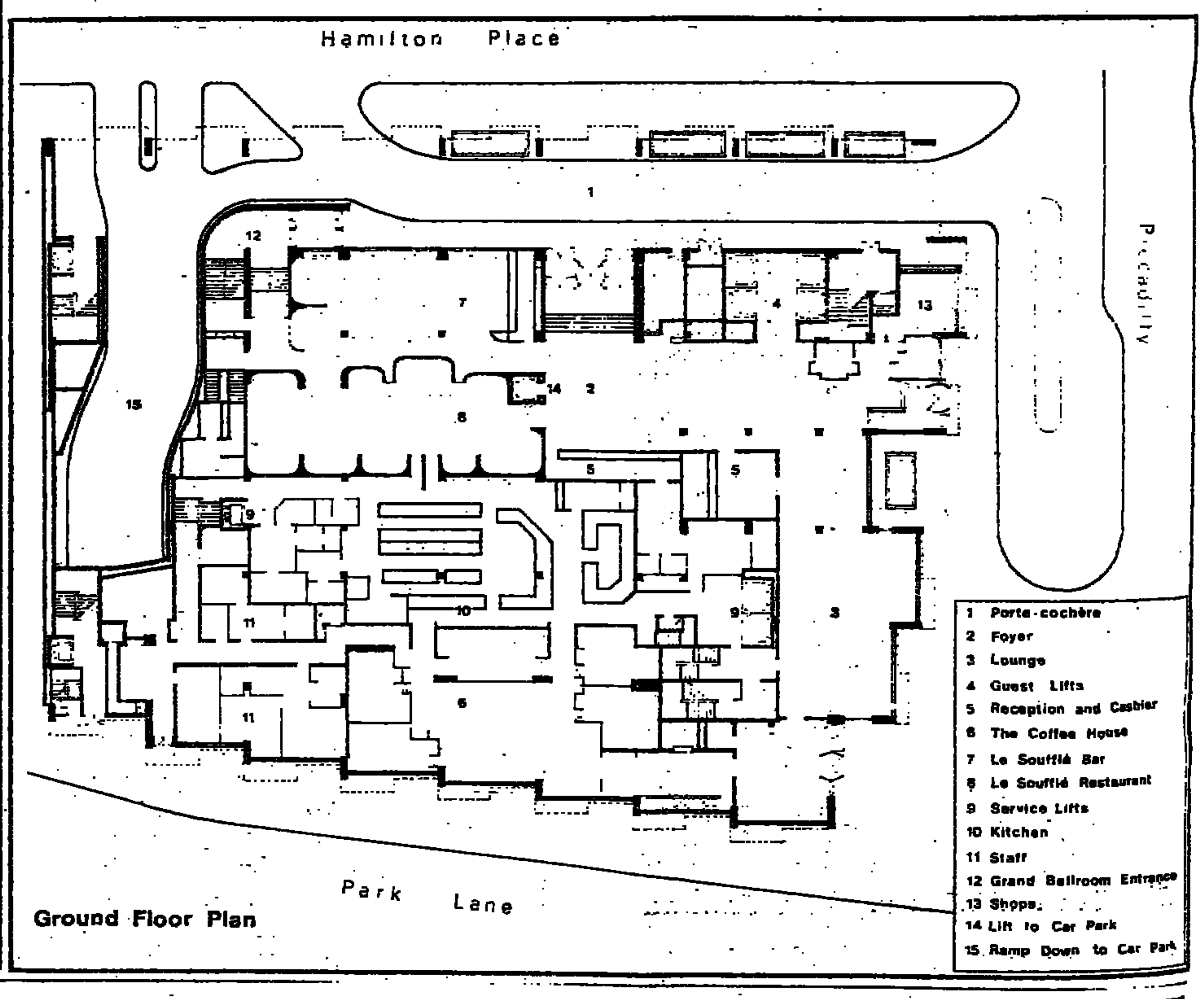
CONTINUED ON NEXT PAGE

DESIGN AND CONSTRUCTION

Architects and interior designers for the public spaces: Frederick Gibberd and Partners (Sir Frederick Gibberd, CBE, and G. W. Dunton).

Interior designers for bedroom floors: Walter Ballard Corporation.

Main contractor and structural engineer: Sir Robert McAlpine and Sons.



INTER-CONTINENTAL HOTEL II

Lobby Lounge with tapestry woven by Archie Brenan of Edinburgh Weavers, mainly wool and suede with a few silk threads.

Part of the Ballroom in use as a conference room. Pictured here is the first conference to be held—a workshop by Paris Hotel Association.

Latest addition to London's scene

THE DEVELOPMENT of international hotel chains has been one of the great post-war phenomena in the travel business. The creation of these chains has been an integral part of the growth of tourism and business traffic in recent years, a growth which has depended on relatively easy air transportation and the provision of accommodation of a uniformly high standard the world over.

Uniformity

It has of course been part of the criticism levelled at the international groups that they provide something which is too uniform. In fact, this criticism is probably a lingering hangover from the days when the major groups were beginning to flex their muscles. To-day that uniformity might apply to the fact that you can be sure of hot and cold running water, of telephones that work, of clean linen and of reasonable service—but perhaps for some that is taking uniformity too far. Over the past decade or so most of the major groups have attempted to weld some degree of local identity into their operations and what may have once started as a modest dressing-up operation can now be quite extensive.

The latest addition to this international scene is the Inter-Continental London, the capital's new landmark at Hyde Park corner. It is of course always a matter for careful consideration before calling anything in the ever expanding world of the hotel business as the "latest," but for a few brief hours at least, that is what it is likely to be.

The hotel opened "quietly" earlier this month, an indication perhaps of another trend. Time was that hotels, like plays, had first nights. To-day neither the stage nor the hotel business goes in for such nail-biting occasions, preferring to slide gently into business and thus providing themselves with time for a little fine tuning. The Inter-Continental's official opening will be in September, when the opening ceremony will be carried out by the Duke of Wellington. Apsley House—"Number One, London"—is next door and houses the Wellington Museum.

Inter-Continental Hotels, a wholly-owned and highly profitable subsidiary of Pan American World Airways, is one of the more successful of the international hotel companies. Successful not only in financial terms (last year in a somewhat discouraging international tourist scene the company increased its profits by 30 per cent.) but also in reputation. While other hoteliers are finding the going tough Inter-Continental is still talking in terms of expansion.

Fascinating

Over the years the strategy of the group has been fascinating—and flexible. Although financially controlled by an airline, it is a separate, profit-oriented entity and the sites selected for new projects are not affected by whether or not Pan Am has a service to that destination. But basically the group has confined itself to up-market business travellers and has tended to avoid the vagaries of the holiday trade and resort destinations—although to confound that, it has a superb new ocean-front property at Rose Hall, near Montego Bay, Jamaica.

In the past couple of years this concentration on the business market has paid off, because although, in common with other operators, the occupancy levels of Inter-Continental Hotels overall fell slightly, margins were sufficiently maintained to avoid the business being hurt financially.

Of course, this would not have been achieved if the name did not carry something of a reputation as far as service is concerned. It is during these past few awkward years for the travel business world-wide that the success of the "quality" operators has shown through. There has been a great deal of "sorting out the men from the boys", since those boom days of the late 'sixties when the sheer desperate shortage of hotel rooms in most of the world's major cities meant that almost anyone could make some sort of money in the hotel game.

The London Inter-Continental is the 70th of the chain, and in this case is jointly owned with Sir Robert McAlpine and Sons, which was the main contractor. As far as the future is concerned, Inter-Continental's chairman, Mr. Paul Sheeline, recently said that the aim by 1980 was to have between 80 and 100 properties. Much of the development at the moment, naturally enough, is in the Middle East, which is one corner of the globe at least which remains under-hotelled.

Ownership

By the time the 100 target is reached Inter-Continental may well have had some time under new ownership, since negotiations are still proceeding which would give the Iranian Government a majority stake in the company as part of its investment in Pan Am. There have already been innumerable assurances that neither the management of the company, nor its operational and investment policies, will be changed by these events.

How then will the Inter-Continental fit into the London hotel scene? There can be little doubt that it arrives at a time when things have been fairly turbulent. The rapidly changing value of currencies internationally and changing economic circumstances in many countries have radically altered the tourist traffic flows in London, notably by reducing the number of American visitors, particularly package tourists, and similarly increasing the quantity of Europeans. Much of this change, however, has left the upper section of the hotel business untouched, and most of the impact has been felt by the middle market operations which rely heavily on holidaymakers.

This top end of the market is less price-sensitive than the other market segments, if considerably more interested in service and the quality of rooms and restaurants. At the Inter-Continental the basic single room rate is £22 a night (there is no service charge and VAT is extra). The maximum twin room rate is £32 and suites range upwards from £36. These rates were announced last year and at the time caused something of a stir. Since then, however, inflation has taken its toll and the Inter-Continental will certainly not be the most expensive hotel in London this summer.

Nevertheless it still faces some pretty stiff opposition. The area between Mayfair and Knightsbridge has been the focal point of luxury hotel development in the past few years and within half a mile of the Inter-Continental's gleaming doors are several establishments with managers who are determined to see that none of their business is wooed away.

Having a large say in that wooing at the new hotel is Mr. Max Blouet, one of the best known European hoteliers—he was at the George V in Paris for 30 years—who has come out of retirement to be managing director of the Inter-Continental. Mr. Blouet recently had what must be one of the pleasantest of tasks for any hotelier—stocking a wine cellar at a time when the wine market is in a state of depression. The hotel is cautiously suggesting it might have a record in starting with a cellar containing 15,000 bottles of 160 different wines.

Arthur Sandles

Design CONTINUED FROM PREVIOUS PAGE

which is approached down a short flight of steps. Interior design of all public rooms was carried out by G. W. Dunton of the Gibberd partnership, although the clients' normal policy is to commission the work from interior-design specialists. This was, in fact, the case for the bedroom floors were decorated and furnished b ya New York firm, Walter Ballard Corporation, working for the client Aspley Park Hotel Company. The foyer occupies two sides of the building, the space next to Hamilton Place being the reception area and the other, facing Piccadilly, arranged as a lounge from the windows of which across the traffic, can be seen a fine panorama of trees and lawns around the Wellington and Artillery memorials.

The floor of reception and lounge is a warm brown marble. Honey coloured marble lines the walls in contrast to deep-red panels of ribbed hardwood at opening and entrances. These panels are also incorporated into a large and striking mural abstract composed in wool, silk and leather tapestry. Light fittings of clustered glass and wall mirrors add to the effectiveness of these public areas. Owing to planning limitations, floor to floor heights have unfortunately to be lower than desirable, but this disadvantage is compensated for in the public areas by heavy modelling of the ceiling pattern on several planes taking advantage of the extra ceiling depths made possible by the arrangement of service runs in the ceiling voids.

The bar and restaurants on this level have that rich, dimly lit and opulent flavour beloved of the wealthy and not-so-wealthy tourists for whom this hotel is shrewdly catering. It is difficult for me to write with any enthusiasm for this aspect of the building, which is not to denigrate the results which are both ingenious and well thought out, with a remarkable handling of space in detail.

My preference overall, however, is for the Coffee House, on the ground floor and facing Apsley House and Hyde Park. This little restaurant is subject to 24-hour use and is planned and arranged precisely for that purpose. To make patrons, many or few, comfortable at all times the central carpeted area is surrounded by smaller enclosed and raised spaces reminiscent of box pews, thus making it possible to open up the whole area when busy during the day or to confine the use even to one section when few will be using the place in the early hours. Each has banquette seating around the sides and is separated from the central area by suspended dark toned wooden screens containing an open slot immediately above the banquette.

This gives a view through to the remaining parts of the restaurant but people seated in the raised cubicles cannot be overlooked from the larger space below. The colour scheme is quiet, with dominant warm browns, orange and cream, echoed in an unusually well designed carpet. The ceiling is heavily moulded, subtly reducing the overall space into a comfortable proportion.

Staircase

At mezzanine level is the ballroom, approached from the foyer by way of a grand staircase all the more effective by reason of the slight curve at the foot. The ballroom is lit from sixteen deep ceiling coffers by reflective constructions of tubed glass in tints of cream and gold. The very large space, however, inevitably suffers from the limitation in floor height mentioned previously.

Main areas on the first to eighth floors are planned as guest rooms and suites, the recesses and projections on the exterior of the building enabling room sizes to be varied and thereby giving unusual internal interest. All floors are planned around an internal court with the west and east wings projecting northwards to form an open sided court facing up Park Lane.

On the seventh floor is the upper bar, the Picadilly front of which rises through two storeys to give the "attic" appearance on the exterior. The views from here are magnificent, having the Green Park in the foreground with the whole city as a panorama. The bar comprises a series of staggered bays with the ceiling stepped in each bay to the full two-storey height towards the windows.

London has had a surfeit of new hotel buildings in recent years, few of which have done justice to their sites or to their surroundings. With Hyde Park Corner presenting a difficult enough architectural problem for the design of any kind of building the hotel solution must be regarded as successful in every degree.

NORTH SEA GAS REVIEW

BY ADRIAN HAMILTON

The overlooked factor in our energy equation

THE SHELL/ESSO group is in the final stages of tying up its Brent gas supply deal with the British Gas Corporation to beat the June 30 tax deadline. At the same time, Exxon is believed to be in talks with the Gas Corporation over price escalation on gas deliveries from the major southern gas fields.

Shell/Esso must have the deal for associated gas from Brent tied up by the end of this month if it is to avoid the imposition of Petroleum Revenue Tax on gas. Final settlement has been held up less by the basic supply/delivery agreement with the Corporation itself—this was broadly agreed last autumn—than by the complex questions of allocation of costs between oil and gas facilities for tax purposes, now being discussed with the Inland Revenue, and by the possibility of State direction of pipeline routes and capacity which is threatened by the Petroleum and Submarine Pipelines Bill now in the Commons.

The various participants in the current talks are saying virtually nothing about them. But general reports within the industry suggest that the supply deal is for some 600m. cubic feet per day of gas to start up in 1978. The price is to be calculated on the foundation of a relatively low base price of towards 50 cents per million BTU. with escalation factors covering 80 per cent. of the supply. The escalation factors are themselves calculated against a U.K. cost index and the price of fuel going into the CEGB.

The net effect of this on the final price is difficult to calculate, but on the face of it the deal looks less attractive than the Frigg deal between the Total group in the U.K. and the Petronard group in Norway, with its higher base price and a different escalation covering the price of energy in the market—although the costs of the Frigg development, where all the installations are for gas production, are obviously much higher than at Brent, where the basic production facilities handle both oil and associated gas.

Basic factor

This appears the basic factor behind the main difficulties in finalising the Brent agreement. The deal will mark the first occasion that an associated gas supply arrangement has been reached in the U.K. and, aside from all the normal problems of allocating costs between oil and gas for tax purposes, there is the added problem that gas production is to be relieved from PRT altogether.

In addition to this, the Petroleum and Submarine Pipelines Bill has also raised the whole problem of whether the Government will intervene to force Shell/Esso and other gas producers to alter pipeline routes to take in other gas finds. The issue is still a delicate one and Shell/Esso at least seems to been able to get some written assurances on the subject of Brent from the Department of Energy. The provisions of the Bill, however, and the Government's recent announcement that it is commissioning a study into the whole subject of associated gas reserves and the possibilities of common pipelines to carry output make it clear that the situation is serious. Talks between officials and Total and Shell on the possible future use of their planned gas lines are already believed to have taken place and the results of the Government study, now being put out to tender to several companies, could have an important bearing on the future development of reserves in the U.K. portion of Statfjord, Beryl, and other fields around Beryl.

Total development costs of Brent gas, including the construction of a 300 mile 36-inch pipeline to St. Fergus on Scotland's north-east coast and the processing facilities on-shore, are now expected to amount to around £400m. First deliveries of gas were originally planned for 1977, but it now looks unlikely that a line could be laid in time and the facilities installed for start-up earlier than 1978.

Discussions between the companies and the British Gas Corporation on the price of gas from the southern fields, meanwhile, appear to be at a much more provisional and delicate stage. Exxon is reported to have started discussions and there are signs that other companies are preparing for talks, but none has so far been willing to discuss the subject.

The basic issue would appear to be the activation of certain limited escalation clauses contained in the conracts signed some eight years ago. Under these clauses, the fixed price for gas, currently at barely 1p per therm, can be raised once certain indices pass a specified point. The indices reportedly cover only a limited proportion of supplies of around 20-30 per cent. and are based on costs and exchange rates.

The question is an important one not only in terms of interpretation of the specific contract clauses but also for the future investment in the area. Although any renegotiation—if accepted by the Gas Corporation—would involve only a relatively small price increase, it could have a substantial impact on encouraging development of new reserves and the further investment in existing fields. At present, the supply deals for the major commercial fields in the south seem to cover commercial reserves in a defined area and companies argue that, without higher prices, it is not worth their while to invest in additional compression facilities to expand the "recoverable" gas reserves in these areas.

While the gas situation in the U.K., from the companies' point of view, is characterised by low prices, because of the Gas Corporation's position as a monopoly buyer, but a more liberal tax régime, because of gas' exemption from Petroleum Revenue Tax, the Norwegian gas situation seems to be moving into the opposite direction, with a higher gas price because of the free market sales conditions but a more penal tax position because of the imposition on gas production of the additional taxes on offshore output.

Just how these factors compare is almost impossible to calculate without the kind of detailed knowledge of prices and costs, as well as tax on gas, which have never been made available. Very broadly, recent deals for Ekofisk gas in Norway and for Frigg and Brent gas in the U.K. suggest a price difference of as much as 20-25 per cent. between the two countries. The price of U.K. Frigg gas delivered to-morrow under the various escalation factors, for example, is believed to average around $1.20 to $1.30 per million BTU, or around 5.5p per therm, compared with a present landed price for the latest Ekofisk contracts of around $1.60 to $1.70 per million BTU. The Brent price is likely to be below Frigg's.

But against this—and despite the hopes of some of the companies—the latest Norwegian tax proposals, putting on an additional 25 per cent. special tax on profits after corporation tax look like passing through the Storting without any exemption for gas production.

Substantial

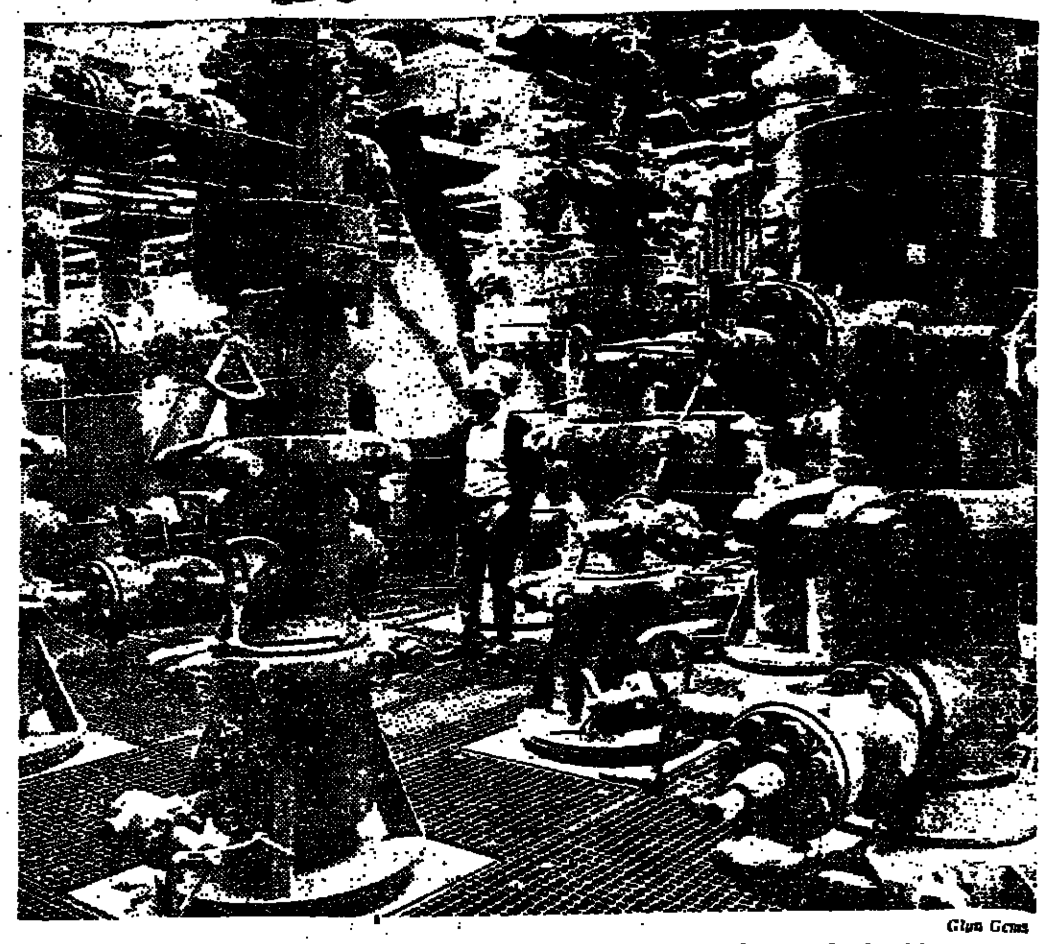
The impact of this could be substantial. In the first place, it could lead to the unusual situation where gas production from the Norwegian reserves in Frigg proves less profitable than production from the U.K. reserves, despite the higher price which Norwegian gas from the field will apparently enjoy under the terms of the sales contract. In the second place, it could have a profound impact on the development of smaller gas reserves in the Norwegian sector of the North Sea.

As in the case of oil, the new Norwegian proposals would seem to be more punitive than those of the U.K. in the case of smaller gas fields because of the exemption system operated in PRT in Britain. The effects still have to be clear, but reports in the industry suggest that one immediate effect could be to give the companies second thoughts about developing the Heimdall Field to the south of Frigg. A decision on this is due in the near future, but the field, with reserves of around 2 to 2.5 trillion (million million) cubic feet may well be considered marginally under the tax regime.

Enlightenment

The whole subject of gas prices, costs and returns is one badly in need of greater public enlightenment. The paucity of information so far available is no doubt partly due to the commercial discretion surrounding contract negotiations and uncertainties as to how escalation factors will operate. But it also owes something to a feeling that gas is less important as well as less glamorous than oil. If this is so, it is a pity because gas may well prove the most significant single factor in contributing to incremental energy growth in Europe for the next ten years.

Finally, on a brighter note, the last month or so has seen evidence of a dramatic revival in private investment interest in North Sea exploration, as witnessed by the successful issues of Premier, Celtic Basin Oil Exploration and, of course, Siebens. Whether this revival is warranted in view of the continuing difficulties and costs of development and development financing for smaller companies is another question. But in this area, a word of explanation must be forthcoming. The statement in last week's column that Siebens' estimate of 625 barrels per acre foot for its 2/10 find seemed high was based on a misapprehension that the figure referred to recoverable reserves. The figure, in fact, referred to oil content.



Glyn Genin

The wellheads on an Amoco/Gas Council production platform at Leman Bank: this southern sector North Sea field, which Shell/Esso is also working in, is the world's biggest offshore gas field. What will happen to future gas development?

The Executive's World

EDITED BY JAMES ENSOR

Young Lions in 'The Old Lady'

BY ROGER MATTHEWS IN MADRID

JUAN ANTONIO RUIZ DE ALDA, one of the brightest brains in the Spanish banking scene, has simultaneously left Hispano-Americano, Spain's second biggest bank, and quit as chairman of Banif, the merchant bank he built up during the 1960s.

The takeover of Banif by Hispano-Americana has been the most intriguing banking merger in Spain. It has naturally been watched with considerable interest as Hispano, the grandest of the grand old ladies in Madrid, has tried to thrust herself into the 1970s by absorbing the precocious talent of the elegantly suited young men of Banif.

In the past, banking in Spain may not have been great fun for its executives, but it was certainly highly profitable. The highly-polished marble halls of Hispano-Americano reflect the inbred conservatism of its attitudes. Customers and profits have not in the past been derived from aggressive marketing or a well-developed range of financial services.

Revolution

But now Banks can no longer rely on the growth generated by the 15-year-old industrial revolution to sweep them forward and maintain their often *improbably high price/earnings* ratios. Many have also come to realise that the "Europeanisation" of Spain must bring its *banking more forcibly into competition* with the outside world.

Banif has shown just what a demand there is for the more *sophisticated* forms of financial services, both domestically and internationally, where the City of London figures among its best foreign customers. Its basic strength has been built on five departments: portfolio management, corporate finance, real estate, commercial, and legal advice. Formed in 1960, Banif, really took off in 1966: since then it has managed a staggering 45 per cent. annual compound growth in income and a 50 per cent. annual growth in profits. Its staff has climbed to around 200 and of these over 50 per cent. have a university degree, several of them having studied at Harvard Business School.

It was from Harvard that Ruiz de Alda returned in 1959 and *with a capital of £750 and a* couple of friends decided to go into business on his own account. The appearance of more friends and an increase of capital to over £100,000 "Gave us the chance from 1963 to 1966 to commit every error in the book." Eventually, having had to write-off all direct investment, Banif decided to concentrate on the financial services which had kept it afloat during these three years.

The result was rapid and spec*tacular*. By 1968 the *portfolio* department managed assets on a full discretionary basis of some Pts.370m. *(£2.8m.)*. Today *that figure has topped* Pts. 10,500m.—and includes the mutual fund Gesta which was formed in early 1970 and five *closed-end investment* companies, all of which are quoted on the Madrid stock exchange.

Nearly half Banif's employees *are now working in the stock* exchange department which is also responsible for publishing reports and analyses of major companies, a *factor* of Spanish business life that has been sadly ignored by most institutions. Banif now estimates that its trading volume accounts for over 5 per cent. of the turnover of all three Spanish stock exchanges.

Its corporate finance section has been responsible for the listing, or assisted in the underwriting, of an impressive list of companies. It is also one of the country's main underwriters of convertible bonds; secondary placements and new rights issues. Such placements are first offered to the portfolio division and then to the long list of institutional and private clients *that* have been developed over the years.

Growth has also been rapid in the real estate department *where the emphasis* has been on an increasing number of office developments.

Inevitably Banif proved a great attraction for the young executive with talent and ambition. They were given major responsibilities far earlier than they could ever have expected in the commercial banking world. As a result of the merger Sr. Jaime Soto and Sr. Carlos Manuel de la Cruz, both in their earlier thirties, have been appointed deputy general managers of the Hispano-Americano with responsibility for investment and corporate finance respectively. For the time being *they also remain general man*agers of Banif.

Both have been influenced by their foreign experience. Sr. de la Cruz was educated in the U.S. and was for a while with the First National City Bank, while Sr. Soto did his post-university training with Barclays in London. Neither appear remotely daunted by the challenge *they have been* offered and claim that their insertion into the upper echelons of Spain's second biggest bank has *not caused rumblings of discon*tent among the elder and far longer established members of the staff.

Leadership

The same cannot be said for Sr. Ruiz de Alda who, together with Sr. Alberto Oliart, brought in two years ago by Hispano as managing director to remodel the bank, was expected to provide the dynamic leadership needed for the future. Instead it seems that Sr. Ruiz de Alda was not satisfied with the interim arrangements, and this has left Sr. Oliart as the virtual undisputed heir at Hispano.

Whatever his professional regrets Sr. Ruiz de Alda cannot have walked away from the situation with many financial regrets. As a major shareholder with Banif he must have pocketed a substantial share of the £7m. which Hispano-Americano is thought to have paid for the company's executive talent.

But for Sr. Oliart, who undoubtedly *pushed* hard for the purchase of Banif, there is naturally a continuing need to demonstrate the wisdom of his *decision*.

Clients of Hispano who in the past merely lodged their shareholdings with the bank will be *increasingly* encouraged to put them under the management of Banif, while great strides can be expected in the corporate finance side of operations.

The young Lions of Banif may have lost something of their independence, but, backed by the wealth and size of Hispano with its deposits of around £2,077m., they will probably be received with deeper respect than before.

It will be interesting to see whether Hispano becomes more like Banif, or whether the 200 men of Banif lose their individuality among the 16,000 employees of their new parent. Ideally a happy medium will be struck along the way.

German bosses on British workers

By Nicholas Colchester in Bonn

WEST GERMAN wage costs, *together* with the high international value of the Deutschemarks in which those wages are paid, are forcing more and more West German companies to invest overseas. It is hard to find statistics that prove this beyond dispute, for figures are available only for cross frontier capital flows and not for cash raised locally by West German subsidiaries. Yet the flow figures provide some guide and they show that Germany invested DM2.7bn. abroad in 1971, DM2.8bn. in 1972, DM5.6bn. in 1973 and DM4.52bn. last year. In fact, for the first time in 1974 the direct investment inflow into Germany was matched by the German outflow to the rest of the world.

Last week in Frankfurt the British Embassy in Germany presented the fifth in a line of *seminars designed to attract the* new wave of German foreign investment towards Great Britain. The balance to date has *been distinctly in* West Germany's favour despite Great Britain's unwholesome reputation as a place to do business *German direct investment* in the country has risen sharply over the past three years.

The seminar was an interesting exercise at a difficult time. With Britain poised on the brink of its referendum the attention of the German media was focused on the country. Inevitably their reports did not make the best advertising: rampant inflation, a divided government, a resigned populace, and, perhaps worst of all, a lack of British capital investment in Britain. A German banker in London told a Cologne newspaper, "It is difficult for us to advise our customers to invest in this country when the British won't do it themselves."

Over 200 German businessmen attended the seminar and most seemed to go away satisfied. The affair was organised to a standard that Germans take for granted, with simultaneous translation devices to overcome the language problem. The Chambers of Commerce of the Federal State of Hessen were the hosts and gave the proceedings that feel of measured formality that is essential to a proper German seminar. The stars of the seminar were two German businessmen already active in Britain. They gave balanced accounts, picking out the bad points and the good points, and left the listener *with a fair idea of what it must* be like for a German manager to become involved in Great Britain.

Herr C. P. Waegemann is the manager of the Wales-based subsidiary of Herbert Zippel, a company that makes filing systems for offices. He has 100 people working for him and is the only German. The other *Germans left him because they* could not become reconciled to British salary levels and to the meagre British holiday allowance. *The first myth Herr* Waegemann attempted to explode was that the English worker is innately lazy. He *was not lazy, he said, but had* a different mentality. Given constant stimulus by the management he worked as well *as a German and better during* overtime. As for the stimulus, it was useless to say to a British worker "do this because that *is what you are paid for.*" Instead he must be approached with "We've got a problem, the customer has been promised *this by to-morrow evening,*" then, said Waegemann, the man will work all night.

Gerd W. Hoffmann, managing director Mercedes-Benz (United Kingdom), whose £5½m. investment in Britain was one of the biggest in recent years.

To understand the union situation, said Waegemann, you had to understand that the relationship between workers and management was much harsher in Britain than in Germany. There were still conservatives there who believed that wage costs should be flexible, rising in good times and falling in bad. Choosing and negotiating with one of Britain's 500 unions was a wearing business and he had once spent six hours arguing over the pay rate for tea-breaks, but *when an agreement* had been hammered out he had breathed easier and so far he had never had a strike.

The most important advantage of a British operation, explained Waegemann, was that British wage costs were 50 per cent. of German wage costs, and that associated costs were equivalent to 22 per cent. of pay in Britain against almost one half of pay in Germany. Even given the current rate of wage inflation, it would take a fair time for British rates to reach those in Germany, given also that German wages were still rising and that the pound was depreciating against the Deutschemark.

Herr Waegemann then restored the balance with a list of complaints about Britain. The transport times are excessive—between 10 and 20 days from Wales to Bavaria. The telephone service in Britain's development areas is bad, so a telex is essential. The buying *of new equipment* in Britain is a frustrating business. Other criticisms were implicit in the tips he handed out: raise your *money* in England, because Deutschemark credit that he had raised at an early stage proved damagingly expensive to repay *later. Do not overestimate* your abilities in English before you set up in England. Avoid London and the Home Counties.

Hermann Bahner, a director of Elbeo-Werke, Germany's biggest stocking manufacturer, then described how the Elbeo British subsidiary was the only part of his enterprise that could export profitably. Indeed Elbeo was now being forced to import its British made products to West Germany to remain competitive. His analysis of the problems and advantages of Britain squared well with that of Herr Waegemann.

He praised the lack of red-tape in Britain, the ease with which this or that permit could be obtained. Train transport, *particularly across the main* lines that all converge on London, was bad and Elbeo had had poor experience with goods damaged *in* transit. The motorways were much better. All costs were lower and the tax situation was more favourable than in Germany. Elbeo *found* the British textile unions easier to deal with than their German counterparts.

Herr Bahner criticised British education. The split system of state schools and private schools produced a managing class that found itself unable to talk to workers. The standard of education at the technical colleges was not as high as that in Germany.

His most telling description was of the British working man. You could not motivate him merely with money, said Herr Bahner, other things were more important and his whole psychology was different. The British worker tended to resign without explanation, and if one asked him why he was dissatisfied he was extraordinarily reluctant to explain. This reticence worked both ways. It was much easier to fire an English worker than a German one. In Germany there had to be a painful final interview in which a man's firing had to be logically explained to him. In Britain the worker required nothing of the sort, he just left. *Nevertheless Herr* Waegemann made it clear that he regarded good communications between manager and worker as *being essential to good manage*ment. He had fought against this British reticence, and had to some extent found it breachable.

The overall impression created by these speeches was that to do business in Britain was to put up with a good deal *of oddity, but that the German* manager could find the exercise rewarding given the right attitude.

Serious, logical, and systematic people would have to adapt themselves to an unmethodical, unpredictable business climate. Nowhere was the difference clearer than in the matter of unions. Questions from the floor suggested that unease over the role of the union in England was the area in which the potential German investor needed the most reassurance. Unfortunately Mr. Eric Hammond of the TUC, the union representative on the seminar's panel, was not in a position to deliver it. "We can't give you guarantees or rewrite 100 years of union history for you," he said candidly. He offered some general reassurances about union co-operation, but these must have seemed vague in a land where labour relations are *systematised* down to the minutest detail.

In the end it was left to Sir Nicholas Henderson, the *British Ambassador, to produce* the most compelling reason why German companies can succeed in Britain. Poor management must, he said, bear a good part of the responsibility for Britain's poor strike record. German management was magnificent and this must be the reason why German management was so often pleased with the results of its direct investment in the U.K.

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FRIDAY, JUNE 6, 1975

The next move is Israel's

THE REOPENING of the Suez Canal this week coincides with, and itself contributes to, a generally more hopeful outlook in the Middle East. The Israelis have already made a gesture of response by unilaterally announcing a thinning out of their forces in Sinai at the very time when President Ford was talking to President Sadat in Salzburg. The next move comes next week when President Ford receives Mr. Rabin, the Israeli Prime Minister, in Washington. After that, the "reassessment" of U.S. Middle East policy, which began after the breakdown of Dr. Kissinger's peace mission last March, should shortly be complete.

U.S. policy

As some optimists hoped at the time, the breakdown has served to concentrate the mind, even though there have been some totally unforeseen events in the interim—the assassination of King Feisal in Saudi Arabia and the scale of the troubles in the Lebanon are examples. In spite of these, neither the Egyptians nor the Israelis have chosen to regard the breakdown as final. President Sadat has repeated his desire for a settlement. Mr. Rabin appears to have strengthened his position at home by his refusal to settle in March and, as a result, may now find it easier to compromise. Even Syria has contributed by unexpectedly agreeing to extend the UN mandate in the Golan Heights for a further six months.

There has also been a change in the conduct of U.S. policy which, although it may be more symbolic than real, could be one of the most important single factors in the search for a solution. This is the way President Ford has visibly sought to take responsibility for Middle East diplomacy into his own hands. There is nothing to suggest that his own views of the situation differ from those of Dr. Kissinger. But what matters is that Mr. Ford is the President, more attuned perhaps than his Secretary of State to Congressional moods and Congressional ways, and a man seeking re-election next year.

The President is thus tying his reputation and his future to the chances of a Middle East settlement. He is doing so as the leader of the only country likely to bring one about. So much has been clearly recognised by President Sadat who has continued to prefer the U.S. to the Soviet Union. It cannot be ignored by Israel, since the U.S. is the principal supplier of aid and armaments and so in the last resort the Israelis' lifeline.

The essence of U.S. policy as it has emerged so far is to ensure enough economic aid to Egypt to keep President Sadat firmly in control, while holding Israel on a tight enough military leash to restrain it from adventures. The latter part of this policy has become very clear from the way the U.S. has been withholding, or at least delaying, approval of Israeli arms requests. The policy has also been made easier by the relative cautiousness of the Russians who are no longer pressing for the rapid resumption of the Geneva Conference and who could certainly have made the situation more difficult, had they tried.

Step-by-step

The U.S. approach, however, is still more of a means than an end. It is designed to persuade both sides to take further steps in the step-by-step diplomacy. At present, this means primarily persuading Israel to agree to another round of military disengagement without insisting in return on a statement of Egyptian non-belligerency so cast-iron that President Sadat cannot conceivably give it. How far the Israelis are ready to do this should emerge after the talks in Washington next week. In the meantime, Mr. Rabin no doubt realises that the circumstances for such a move have rarely been less unfavourable. President Ford, for his part, having devoted himself to Middle East diplomacy, should not be lightly distracted by other issues. It is a task worth pursuing, and only he can do it.

Investment down, stocks up

THE provisional estimates for investment and stocks published by the Department of Trade yesterday are anything but encouraging. Investment in plant, buildings and vehicles has fallen about 8 per cent. in real terms in just three months. Stocks of finished goods and work in progress rose at a time when manufacturers were, in fact, trying to reduce stocks, at a rate which suggests that output was outrunning sales by about a percentage point. The estimates, given in real terms, are necessarily very imprecise, because at a time of rapid inflation it is particularly hard to make the right corrections, but their message is unmistakeable: demand for capital goods is falling rapidly, and consumer demand is scarcely adequate to sustain recent production levels.

Downward drift

The picture looks more like one of downward drift than of sudden collapse. The fall in investment in plant and buildings is consistent, so far as can be judged, with a drop of about 10 per cent. for the year as a whole. Retailers, unlike manufacturers, did manage to reduce their stocks a little, and this was ahead of the great clearance sale of consumer durables contrived by the Chancellor in April. There is therefore no immediate reason to fear that the pressure to reduce stocks will produce a greatly exaggerated cut in output.

The capital investment figures leave the North Sea out of account: it is as well to remember that a large investment which will improve national output and the balance of payments in almost equal measure is going steadily forward, in spite of the general gloom. However, a cloud remains a cloud even if it does have a small but genuine silver lining (North Sea investment will contribute in a decade what new investment should, on average, offer every year by way of growth). This cloud is large, and of apparently indefinite extent.

The fall in investment is generally attributed to loss of confidence and the financial burdens of inflation, and it would certainly be idle to expect any recovery until the rate of inflation is very sharply reduced. However, events in other countries give warning that while reduced inflation is a necessary condition for recovery, it is not a sufficient one.

The reluctance of the banks to lend and of industry to borrow is general throughout much of the industrialised world. Confidence does not rest simply on a view about the future behaviour of trade unions or oil producers, but whether balance sheets are sound and financial institutions solid. After the shocks of the last two years, it could be quite a time before the easy certainties of the 1960s are recaptured. The kind of difficulty Mr. Heath experienced in stimulating any revival of investment in 1972-1973, following the financial squeeze on British industry immediately beforehand, may now be the general experience.

Drying out

The greatest danger in the situation, however, is not the prospect of a prolonged but probably not too deep recession, but that the Government may be driven to ill-conceived measures in an effort to suppress the symptoms of the real disease. The real causes both of inflation and of low investment are the overgrowth of the public sector and imprudent expansion of credit in the past, yet these are the very things which may now appeal to some Ministers as "remedies." The alcoholic who finds solace in the bottle suffers from the same illusion. The sooner we accept our present troubles for what they are—the discomforts of drying out—the sooner we will be started on the hard road to a real recovery.

U.S.-Europe battle for new jets is hotting up

By MICHAEL DONNE, Aerospace Correspondent

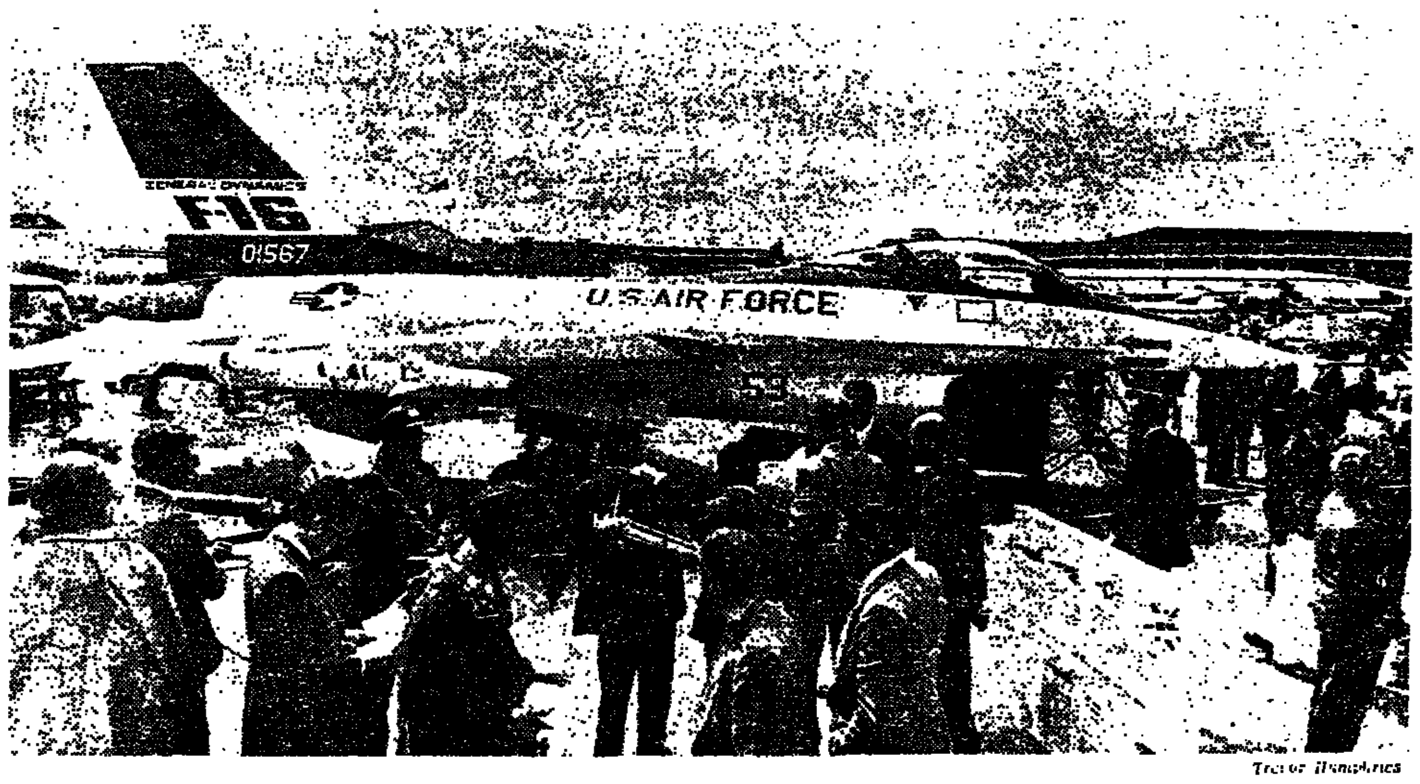
PROBABLY the most significant theme to emerge from this year's Paris International Air Show at Le Bourget is that of long-term confidence in the future of aviation, despite its current economic difficulties. With nearly 600 exhibitors from 20 countries, the show initially presents a confused pattern. But the real business of Le Bourget is conducted behind the congested array of aircraft in the static park, in the long lines of white chalets at the end of the main runway. Here, over the past few days, the world's major aerospace manufacturers have been discussing not only what they are going to do in the years ahead, but with whom they are going to do it.

Two main impressions are given. The first is that, while business at present for many manufacturers is poor, reflecting both airline reluctance to buy in depressed economic conditions, and tighter military budgets, there are better times ahead. In the military aircraft market alone, one estimate given at Le Bourget suggested that more than 3,000 new combat aircraft of one kind or another will be needed by 1985, worth about £10bn., while over the same period the world civil market might produce business worth several times that level once economic growth was resumed.

International collaboration

The second impression is that, while many companies are enthusiastic about international collaboration as a means of getting a share of new civil and military ventures at the lowest cost, they still retain a sturdy independence that will only be given up slowly. This is likely to make it much more difficult to develop the more tightly-knit European industry that many want to see as a means of combating the U.S. manufacturers—who in their turn are well aware of what is happening in Europe and are moving swiftly to ensure that their markets are not eroded.

This is particularly apparent in the military market, where the so-called "arms deal of the century" for the provision of a new lightweight replacement of the ageing Lockheed Starfighter for the Belgian, Dutch, Danish and Norwegian air forces is developing into a cliff-hanger situation, with the Belgians now expected to decide by the end of this week whether or not to buy the U.S. General Dynamics F-16 lightweight fighter instead of the French Dassault Mirage F-1E. With this battle now in its closing stages, it is clear that immense efforts are being made behind the scenes by both sides. The other countries involved have made it clear that their own decisions to buy the F-16 depend on Belgium's following suit, so that any decision by the Belgians to buy the French Mirage F-1E could throw the whole situation back into the melting pot. A Belgian decision to buy the F-16, however, would give General Dynamics a production run of some 1,000 F-16s, the Europeans' 350 aircraft being added to the U.S. Air Force's own 650, although much of the work on all the aircraft involved would be done in Europe.



Trevor Humphries

General Dynamics' F-16 lightweight fighter draws attention at the Paris Air Show: the battle between it and the French Dassault Mirage F-1E in the so-called "arms deal of the century" has now become a cliff-hanger.

But, in the expectation that there will be a U.S. victory in the Starfighter replacement stakes, the European companies are already being stimulated to mount new campaigns to ensure that GD's F-16 does not sweep through other waiting markets, such as Turkey, Iran, other Middle Eastern countries, and even South America and Africa. Many at Le Bourget have been quick to point out that, while the F-16 is a good, lightweight fighter, it cannot do everything that all the world's airforces will want done in the years ahead.

Combat aircraft requirements cover not only tactical-strike and reconnaissance, but also close battlefield support, and high altitude interception and air-superiority. Almost every air force in the world can write a different operational requirement, and every aircraft manufacturer will be working hard to convince them that its own product fits that requirement beautifully. Thus, even the losers in the Starfighter replacement stakes can still look for further orders. Northrop, for example, has been provisionally chosen along with McDonnell Douglas to develop the F-18 for the U.S. Navy, based on Northrop's YF-17 design, so that this aircraft can be expected to go on chasing GD's F-16 hard throughout the world.

In the more expensive air-superiority stakes, McDonnell Douglas with its F-15 Eagle and Grumman with its F-14 Tomcat may well be competing for orders against the Anglo-German-Italian Multi-Role Combat Aircraft (MRCA). Dassault, while still offering the Mirage F-1E wherever it can, will probably continue to develop its Avion de Combat Futur (ACF) Super Mirage unless and until the French Government decides to drop the plan. Any rejection of Dassault by the Dutch and Belgians, even after the last-minute personal intervention last week by the French President, M. Giscard d'Estaing, would stimulate the French into a major sales battle everywhere else in an effort to justify the outlays on both the F-1E and ACF. The French President made it clear when he opened the Le Bourget show last Friday that he thought a U.S. aircraft purchase by European countries would raise "serious doubts" about the possibility of achieving a united Europe. France had always sold military aircraft, he said, and would continue to do so.

Some major arms deals are already well advanced in negotiation. The U.K. is well placed in a bid to provide a consortium of Arab countries, financed by Saudi Arabia, with both Hawker Siddeley Hawk fighter-trainers and Westland Lynx helicopers, both in direct sales (200 Hawks and 250 Lynx) and with aircraft built under licence at a central point in Egypt. Elsewhere in the world, Hawker is pressing its Harrier vertical take-off fighter strongly, both in the land-based and maritime roles, while BAC is confident that further orders are possible for its Jaguar jet strike-trainer.

What all this means is that the Starfighter replacement battle although called the "arms deal of the century," is still smaller than the Anglo-West German-Italian MCRA purchase, and is thus only one fragment of a much larger military aircraft market that can provide rich rewards for the successful manufacturers. As a result, there is no real sign of dejection at Le Bourget, but more a determination to look elsewhere for the equally substantial orders that every military aircraft maker knows will exist in the decade ahead.

In the civil market, the situation is less confusing, if only because there is now likely to be a requirement for fewer new types—although in terms of numbers of aircraft the market is still immense. No-one is going to try to take on Boeing with another Jumbo jet, for example, nor is anyone likely to want to repeat the Lockheed TriStar and McDonnell Douglas DC-10 trijets. Where the battle seems likely to lie is in the vast short-to-medium range market for aircraft seating up to 200 passengers.

This market is less immediate, since airlines are still in considerable economic difficulties and are reluctant to even think of new types at this time. But no-one denies that it is going to be there from about 1980 on, and as a result most of the major manufacturers at Le Bourget were ready to talk about their ideas for meeting it.

Inevitably, because it already holds 56 per cent. of the world's jet airliner market, the pace is likely to be set by Boeing, and the European companies will have to work hard to get together on a design that can beat Boeing's proposed "7X7" family of new jets. Boeing said at Le Bourget that it had spent $40m., studied over 100 designs, and done over 1,000 hours of wind-tunnel tests to find the best short-medium haul 200-seat design. It showed for the first time a model of the three-engined 7X7, with two engines mounted under the wings and one at the rear of the fuselage, so that it looked rather like a smaller version of the TriStar—making it in Boeing's view "a good running mate for airlines owning the larger trijets."

The engines would be new advanced technology "ten-tonne" units, either Pratt & Whitney JT-10Ds or Franco-US (Snecma/General Electric) CFM-56s. In addition to the basic model for about 200 passengers and ranges of 1,800 to 2,700 nautical miles, Boeing said there would be a smaller version seating 175 passengers with a long-range model available two years after the first deliveries of the medium-range aircraft. The key to the venture would be the advanced wing design, that would give better performance all round, and which together with the advanced-technology engines would result in a 30 per cent. cut in fuel consumption per passenger-mile compared with present jets.

Boeing made no secret of the fact that a firm go-ahead remains contingent on airline requirements, but it is wasting no time in fixing up its collaborative production plans. It already has a 20 per cent. participation agreed with Aeritalia of Italy. Depending on which engine is used, there will be a substantial French, German and/or Italian involvement; Japan is also interested.

Compared to this single-minded effort, the Europeans' plans so far appear fragmented. The British Aircraft Corporation has already revealed plans for new versions of its One-Eleven to meet this short-medium haul, high-density market, while Hawker Siddeley is talking of further Trident developments using the new "ten-tonne" engines. Airbus Industrie, basically a Franco-German combine with which Hawker Siddeley is associated on both design and wing construction, has ideas for further developments of the A300 Airbus, but these have not yet been considered by Governments or other manufacturers in Europe with anything like the enthusiasm that Airbus Industrie itself feels they deserve.

Jet transport experience

There is nothing in the static exhibition halls at Le Bourget to show that the European manufacturers are anything like as far down the road as Boeing on a collaborative venture to match the 7X7. It is pointless for the European companies to claim—as some are doing—that the 7X7 is still pure "brochuremanship." Every airliner design is until somebody buys it. But at least the Boeing plan is backed by $40m. of direct spending by a company which does not have the problems of convincing Governments before it can attack the market, and which has more jet transport experience than all the others put together.

One of the dangers facing the European builders is that they may be faced with the same kind of international wrangling that bedevilled the early years of the Airbus plan, and which eventually resulted in the U.K. Government pulling out in pique over the proposed costs, leaving Hawker Siddeley to arrange its own private-venture participation. Boeing is already showing its 7X7 plans to airlines, and says it is ready to go when it feels the market is right. The European companies are going to have to work hard to beat that kind of determination.

MEN AND MATTERS

Saudi Arabia's new rover

After Sheikh Ahmed Zaki Yamani, the oil ambassador, comes Sheikh Hisham Nazar, planning supremo. That Saudi Arabia's two brightest young ministers, among the first commoners to be given real responsibility by the House of Saud, should enter the Western limelight at a distance of around two years does not indicate any great difference in influence. Nazar's remarks, while on a primarily private visit to Britain, about Saudi Arabia's theoretical £62bn. spending programme are the logical second phase to Yamani's earlier oil forays.

Now that Yamani has become more of the diplomat, though still keeping public engagements in the West such as the Chairman's Lecture at the Stock Exchange last night, Nazar's face could become just as familiar. He is considered very close to Crown Prince Fahad, the strong man of the Saudi government. But the spending programme he oversees as Minister of State for Planning is, as he admits, hedged with problems. Less than half the cash may ever be spent, and as far as Britain is concerned the Shell contract for construction of one of four petrochemical complexes is, so far, as near as we have got to the big money.

But whatever the problems of infrastructure, administrative bottlenecks and manpower (the 500,000 skilled and semi-skilled imported workers needed would add a tenth to the Saudi population) Nazar will be one of the West's wealthiest shoppers for several years. He fits the role, with likenesses, including good looks, to Omar Sharif, fellow old boy of the now defunct Victoria College in Alexandria, the Eton of Old Egypt. Unlike the film star, he has lost any love for the cricket played there—"much too slow for me"—but shares in the Saudi passion for football, using the period when having his tonsils out in London last summer to watch the World Cup on TV.

Nazar will be back next month to talk again about getting British participation in the five-year plan. He now describes Denis Healey, after the Chancellor's visit to Saudi Arabia last year, as "an old friend." Clearly there are still many loose ends, and not only here: "We think there is a great deal of international co-operation called for," says Nazar.

du Canned?

The danger in Esher, Surrey, yesterday was clearly less than that of du Cann-emboldened Tories nipping in with loads of "No" votes than the chance that potential participants would be mowed down by fast-moving traffic as they tried to navigate across the village green to the booth in the Institute of Further Education.

What better place than the heart of stockbroker land (a little jaded, maybe, but still lush and plastered with "In" posters) to test the contention of the 1922 Committee chairman that perhaps a majority of the party favours EEC withdrawal?

If there was apathy, it was not detectable just after business commenced at 7 a.m. One spruce gentleman with an eye-catching rose buttonhole hurrying in said of du Cann's statement: "Don't believe it at all." His wife was rather testy: "Very strange thing for him to say. Very, very unnecessary."

The hardly unexpected Rolls-Royce glided up, but it was the chauffeur who ducked in to the institute. A more modest car but again chauffeured stopped to decant local resident Sir Basil Smallpeice, on his way to a 9 o'clock City Board meeting.

"Do we have to start believing all Cabinet Ministers again from to-day?"

He'd "not taken much notice of the campaign. I've always known which way I was going to vote." Doubtless the lack of external persuasion extended in his case to du Cann, his old adversary at the Lonrho group.

The point about indifference to the campaign was echoed and re-echoed. One lady thought there had been a "need to listen to all sides, all levels—commercial, political and industrial." Had she been swayed by the arguments then? "Oh no!"

Determined Marketeers filed in briskly and I wondered if a contrary view was ever to be had. It came at last from the milkman who left a couple of pints at the booth door. He would be voting after work up the road: "And it'll be definitely No!"

China notes (1)

For Mao Tse-tung, Chou En-lai and Peking, read Mao Ze-dong, Zhou En-lai and Bei-jing. The latter are the standardised roman forms that the Chinese hope the rest of the world will adopt, and, for good measure, the New China News Agency is to use from September 1. That may not sound wildly important; but it is a part of the country's large ambition that a common language should emerge in the midst of a multiplicity of dialects.

Eventually roman characters may become the norm throughout China, which officially wants to replace traditional characters with a universal script. At present, Chinese dictionaries identify 47,021 characters, and that is without counting variant forms. Distilling them into 26 letters of the alphabet is clearly on the Great Wall scale of difficulty.

Having chosen the system the fun really begins. The Chinese characters, once you know them, do at least identify the meaning of a word without any ambiguity, which is helpful in a language where many words sound much the same. Transcribing into a phonetic script creates ambiguity. Thus the word "ma" for example can mean "Mama" or "jute" or "horse" or "to scold."

The Chinese themselves have another problem. For centuries the written Chinese language has transcended the spoken language barriers between the different Chinese regions. A phonetic script would not be so widely understood as long as regional dialects survive. In China these may be as different as Spanish and Italian, thus the move towards standardisation.

. . and (2)

Meanwhile, the anti-bourgeois campaign continues, with a magazine in Shanghai, most radical of cities, offering a list of typical bourgeois habits. One of these is: "Adopting a 'You scratch my back, I scratch your back' attitude and giving away State property."

I didn't know they always went together.

Observer

POLITICS TO-DAY

BY DAVID WATT

Not a 'yes' to the slaughter of the Left

HAS THE referendum campaign really altered British politics? Not an easy question to answer. We can all reply with some certainty that if the result were "no," all hell would break loose in the Labour Party, that Mr. Harold Wilson would be obliged to go, and that a fundamental realignment of the British party system would be quite probable. But on the much more likely assumption that the answer is "yes" it will be far harder to identify permanent consequences of the months of extended political effort—apart from those which flow directly from the fact that we are members of the EEC rather than embarked on a process of withdrawal.

This will be a relief to most politicians. Having, as they do, a vested interest in the status quo they naturally tend to assume that now the "unique" experience of the referendum is over there will be a swift return to normality—albeit normality of a kind that will necessarily remain precarious so long as the economic crisis hangs over us.

Good humour

On the Labour side, it will be said that the campaign has been conducted with fair good humour. Mr. Anthony Wedgwood Benn's relations with most of his colleagues are now, admittedly, very bad, but then they were not exactly cosy beforehand. The fission at grass roots level does not seem to have had its predicted effect of poisoning the atmosphere, and there is no sign of an impending witchhunt in the constituencies.

On the Conservative side Mr. Edward du Cann's gaffe provided the only discordant note. Why shouldn't a reunited Labour Party and a revivified Conservative Party resume their contest as if the referendum had never been?

This is on the face of it a thoroughly self-serving thesis, but any realistic reply to it must recognise its force in a country like Britain where political and institutional habits are so deeply ingrained. Many rules have been broken in the past few weeks—notably the rule about collective Cabinet responsibility—but that only makes the desire to sink back into accustomed ways all the stronger. Nor is two-and-a-half weeks of campaigning likely to alter, by some sudden transmutation, power relationships evolved over many months or even years. The changes that have occurred as a result of the referendum are likely to be far more subtle and slow-working than many people suppose.

A case in point is provided by the chief personalities involved in the campaign. There is no doubt that the four most effective politicians on the hustings in the last three weeks have been, on the pro side, Mr. Roy Jenkins and Mr. Edward Heath and for the antis Mr. Enoch Powell and Mr. Wedgwood Benn. But in every case success will be much harder to cash in for permanent political advantage than at first sight appears to be the case. Mr. Powell is no nearer re-establishing his base as a Conservative politician or even as an independent force. Mr. Heath has demonstrated a formidable authority and Mrs. Margaret Thatcher is bound to take him into account as a serious factor in her calculations: but the tide within the Conservative Party is still flowing against him and he is no nearer recapturing real power (even if he wished to do so) than he was at the start of the campaign.

Mr. Jenkins has restored his own morale and re-established himself as the undisputed leader of the right wing of the Labour Party, but he is still locked in at the Home Office without any scope for decisive influence over economic policy and still probably without the votes to become Party leader if Mr. Wilson departed. Even Mr. Wedgwood Benn, who has successfully hogged the headlines and completely upstaged Mr. Michael Foot, is still not strong enough, in my judgment, to resign and exploit his resignation if Mr. Wilson offers him the Ministry of Defence or some other penal position next week.

Sir Philip Allen, chief counting officer for the referendum poll, stands in front of the "scoreboard" at his Earls Court headquarters. Soon, the blank spaces will be filled in.

Movement

In other words, while there has been movement, it has not been the kind of movement that signals a dramatic alteration of the trend. Its significance if there is one, will mature over a much longer period. Much the same can be said in relation to the crucial question of the balance of power in the Labour Party. It is sometimes naively supposed that if the referendum produces a decisive "yes," the Left wing will immediately fall back affrighted like some squadron of demons confronted by a crucifix.

Nothing seems to me more unlikely. The present strength of the Left has certainly been augmented by the successful exploitation of the Common Market issue over the last five years: for in a number of trade unions and constituency parties dislike of the EEC has carried moderates into supporting left-wing leaders. But this has only accentuated a trend brought about by other causes, the main one being the shift in the power balance in some larger unions as a result of long-term industrial and sociological factors. Unless the constitution of the Labour Party were radically altered (of which there is precious little prospect) the balance of forces in Labour's National Executive and in the Parliamentary Labour Party is unlikely to be changed except by very slow degrees.

This being so, the Prime Minister is likely to face a left wing which is (a) able and possibly willing to bring down the Government if its demands are not met; is (b) prepared (while formally "accepting" the referendum verdict) to fight a bitter rearguard action over many of the implications of EEC membership; and is (c) possessed of the opportunity to exploit plenty of other economic issues which have much resonance in the Labour Party in a time of economic trouble. A different Prime Minister might deal with this situation by direct and forceful means, but this is not Mr. Wilson's style. He will almost certainly go on trying to perform the same balancing act that he has wobbled his way through for a decade.

In practice this means that in the event of a "yes" vote there is not going to be any great slaughter of left-wing Ministers. The plan, as I understand it, is to postpone the main Government shuffle until the autumn when the various objects of Mr. Wilson's personal displeasure can be shifted without the process of attracting cries of "foul" from the anti-Marketeers. Mr. Wedgwood Benn will probably be moved at once, partly because Mr. Wilson is exceedingly angry with him and partly because other powerful figures in the Government have conveyed their conviction that he is too expensive in terms of international and industrial confidence where he is. But he cannot be fired or even decisively downgraded.

The case of Mr. Michael Foot is even more critical. If the referendum answer is "yes," it is absolutely essential, if the Left is to be placated, that the Secretary for Employment is kept on the payroll. Being an honourable man who feels deeply about the Market issue, he may even be tempted to resign, in which case he will have to be buttered up even more; and the odd upshot of this is that as a result of the referendum it is less, rather than more, likely that the Government will take a firm stand in the matter of the railwaymen's pay claim and other such industrial issues.

This does not mean that a "yes" vote will have no effect at all upon the balance in the Labour Party. It means merely that here again the process is likely to be indirect and long in coming to full fruition. The right-wing will undoubtedly receive a boost to its spirits and its willingness to fight on other issues. After five years of almost constant harassment and retreat, this is of critical importance. Individual right-wing MPs will be freed from the stigma of having "defied" the popular will or having "betrayed" the working class by voting with the Conservatives in October, 1971. Relieved of this accusation they will then have more freedom to manoeuvre in arguing on economic issues against extreme Left-wing views.

In the House of Commons they have already plucked up courage by forming a Manifesto Group and it is no accident that they did so at the moment when it appeared that the Common Market argument was turning round. From now on one would expect to see them take a more aggressive line, and this in turn will gradually affect the views of the Prime Minister and the floating middle-of-the-roaders in the Cabinet.

Turmoil

A major period of turmoil is coming upon the Labour Party as a result of the economic crisis, and while this would have happened whether there was a referendum or not, a "yes" result will strengthen the forces of realism as opposed to the forces of aspiration.

There is, of course, a far profounder level on which it is sometimes said that the referendum has changed British politics for ever. Those who have inveighed on the fiercest constitutional grounds against it have even claimed that it has completely undermined British politics. But here, too, I would argue that the results, if there are results at all, will only be seen over a very protracted time-span. It would be surprising indeed, for example, if there were an immediate rush by governments to place every difficult issue from trade union policy to abortion before the entire electorate. A theoretical distinction—of somewhat dubious authority, but a distinction nonetheless—has been drawn between issues radically affecting the constitution which are now, according to the Foot-Benn-Wilson doctrine, appropriate for referendum treatment, and others which are not. I should expect this distinction to hold the field for many years.

On the other hand there is no doubt that in some less tangible way Mr. Wedgwood Benn has succeeded in weakening still further some of the assumptions which have underpinned British politics and perhaps British society for many centuries. The kind of consent based upon deference either to higher classes or experts or "persons duly appointed" or even "persons duly elected" has been eroded under the pressures of modern society, high expectation, and high inflation, and instead of trying to rebuild these sources of authority or substitute others we have now appealed to a very different authority, the popular voice.

We may never make this appeal again during the lifetime of the present generation but the psychological effect of admitting even for a moment that other sources of authority are inadequate must surely be deep. In this sense the referendum has been at the same time a symptom of demoralisation and a desperate attempt to cure it.

Letters to the Editor

Expanding home agriculture

From The Deputy Director General, National Farmers' Union.

Sir,—Your Special Correspondent (May 30), while rightly arguing the case for more international co-operation, is completely off beam when he questions the desirability of U.K. domestic agricultural expansion. Britain must certainly play a part in devising new and more effective international commodity arrangements, involving not only rules on price ranges but also on multilaterally financed stocks. We can only do this, however, if we operate from a strong domestic agricultural base.

Had it not been for the considerable post-war expansion in the output of British agriculture, our balance of payments position would have been even more serious than it is. From the mid-sixties to 1974-75, the net product of British agriculture increased by some 27 per cent.-28 per cent. At current prices this extra output saves imports of at least £1bn. per annum. In the mid-sixties, imports of food, beverages and tobacco were around 30 per cent. of total manufactured export earnings; in 1974, the ratio had dropped to about 20 per cent.

The U.K. is unique in relying on other countries for a high proportion of its food needs. Despite the post-war expansion of our own food output, we still import some 45 per cent. of our requirements, and it is the strain that these purchases exert across the exchanges which has contributed so markedly to our post-war balance of payments difficulties. It is a fact that countries with a smaller reliance on food imports have been less vulnerable to world market fluctuations and have generally been able to pursue faster and steadier growth policies.

Nevertheless, with a total deficit, including oil, of just under £4bn. in 1974, we cannot get away from the fact that net imports of food, feed and drink represent some 75 per cent. of the total. There is clearly therefore considerable scope for further net import saving in the direction which has proved so fruitful in the last two decades, namely agriculture.

It is of course true that Britain's direct contribution towards feeding the hungry world can only be of a limited kind. The argument for expansion, however, is based not on this, but primarily on the need to guarantee security of supply for the British consumer. It is all very well to suggest that the U.S. would be capable of meeting the balance of our needs, but few of us have forgotten how overnight the U.S. Government banned the export of soya and soya products in 1973, and how last year it was touch and go whether their exports of grain would be subject to control. The Americans — probably quite rightly from their point of view —will always give top priority to their domestic market. The "Soil Bank" has been exhausted and American production costs are much higher to-day than they were, so, to argue that the U.S. could expand output economically by 50 per cent. is manifestly absurd.

In any event your correspondent, in his concern for U.S. grain exports, has read the British plan for expansion incorrectly. The projected increase of 1½m.-2m. tons in cereals output over the next five years would do little more than meet our additional needs on the livestock front. The U.K. will continue to be a substantial outlet for grain imports, whether from the EEC or North America.

So long as the pound is weak, so long as there is uncertainty overseas about the balance between available supplies and growing needs, so long as the Russians and other countries can suddenly descend on the market and disrupt it, so long as the populations of the developing countries continue to grow at an accelerated rate, there can be no argument that it is in the national interest to reduce our relative dependence on food imports.

Asher Winegarten (Professor),
National Farmers' Union,
Agriculture House,
Knightsbridge.

Loaded dice

From Mr. H. Wolanski

Sir,—In his article of May 31 on the investment performance of managed pension funds operated by various life insurance companies, Eric Short states that "when comparisons are made with the All-Share Index, the dice is loaded against the fund managers because of the way the All-Share Index is calculated." In fact the trouble with using the All-Share Index as a performance yardstick for pension funds is simply that it is not an appropriate index to use for that particular purpose.

The Financial Times — Actuaries Share Indices have become accepted as standard measures of equity share price movements and there would, therefore, appear to be no justification for, or particular relevance in, comparing the investment performance of a pension fund (which can, and does, invest in cash, equities, fixed interest securities and property) with the corresponding performance of any pure equity index.

Surely it follows that if the dice are loaded—as they most definitely are in this particular case—then they ought to be changed?

Hyman Wolanski.
Harris Graham and Partners
30, Queen Anne's Gate,
Westminster, S.W.1.

Chilean debts

From The Chilean Ambassador

Sir,—In view of Press statements which, directly or indirectly, seem to question the Chilean Government's desire to pay its foreign debt, I would like to emphasise the following.

The present Government has always wished to comply with all its international commitments, whatever their nature may be. The financial facilities granted by its creditors, in 1974 as well as this year, have been requested precisely because the country is determined to pay its debts, under conditions which are consistent with its present balance of payments.

Chile's creditor countries, which form the so-called Paris Club, met in early May, with the absence of only two members, and have agreed upon the general guide-lines to reschedule 83 per cent. of the Chilean debt payments due in 1975.

In accordance with the usual procedure, the Chilean Government has now got to engage in bilateral negotiations with each and every one of its creditor countries, negotiations which will begin in the near future.

The bilateral agreements which are reached with each of the creditor countries will, obviously, have to be within the general guide lines agreed upon at the mentioned meeting, as the "clause of the most favoured nation" is precisely the basis of the so-called Paris Club, and the fixing of those general guide-lines the only aim of these meetings.

Kaare Olsen,
12, Devonshire Street, W.1.

Flimsy pledge

From the President of The Ship and Boat Builders National Federation.

Sir, — Industry's main complaint against Government and the prime cause of general lack of confidence which inhibits industrial investment is the absence of continuity in Government policy.

A striking instance of this arose in a recent meeting between Dr. John Gilbert, First Secretary to the Treasury, and representatives of the Ship and Boat Builders National Federation, which was concerned with the imposition on the boating industry of the penal 25 per cent. rate of VAT.

During the conversation, we drew the Minister's attention to the public pledge given by Mr. James Callaghan, when Chancellor of the Exchequer, that provided the boating industry maintained its export achievement, no further tax burdens would be imposed on it.

The industry has more than fulfilled its side of this implied bargain (1966 £20m.; 1975 £41m.) only to be cruelly let down by Government by the application of the vicious rate of 25 per cent. VAT. Dr. Gilbert's comment was that a public pledge by a senior Minister must be regarded as valid only for the duration of that Minister's retention of a particular office. This continued role as a member of the Cabinet is not regarded as involving any continued obligation to fulfil his public undertakings. This occurrence is a relatively minor instance of a pledge, vital to a small but expanding and enterprising industry, being casually disregarded. I have no doubt that it can be multiplied a thousand-fold throughout British industry. How can industrialists plan and invest on such flimsy foundations, let alone keep an industry viable?

D. G. M. Sanders.
The Ship and Boat Builders National Federation,
31, Great Queen Street, W.C.2.

Coal and oil

From Mr. R. Henderson.

Sir,—Why, asks John Goodland (June 3), should the Government not put a tax on oil imports and "if need be" subsidise coal exports? A simple question, and one deserving an answer.

It has been thought of before. Imported oil is already heavily taxed and coal heavily subsidised. It is difficult to identify any economic benefits of these measures.

Nothing could do more to ensure the "need" for subsidy than the prospect of one. As long as the National Coal Board is a state monopsony and the National Union of Mineworkers a monopoly supplier of labour, wages will rise and efficiency decline to absorb the subsidy available. Protecting coal by raising oil prices will have the same effect, increasing the price of coal accordingly.

Subsidising exports of coal—in which we plainly do not have a comparative advantage—could only be done at the expense of other products in which we do. Positive harm would be done to our trading position.

Giving high-cost North Sea oil a price advantage relative to low-cost OPEC oil impoverishes not only ourselves but the rest of the world, as well as increasing our exposure to the Arabs' ultimate weapon a sharp price cut.

Market forces, wars, and other problems make long-term planning difficult enough for any enterprise. Arbitrary Government action changing relative prices makes it not only impossible, but pointless, driving managers yet further from the pursuit of profit in search of a quiet life under a command economy.

R. S. Henderson.
The Fragrant Shrimp,
39, Bloomfield Road,
Bromley, Kent.

Deep sea mining

From Georgina Chambers.

Sir,—I am grateful to Mr. Moncrieff of Consolidated Gold Fields Ltd. for revealing the source of his figures. A UN document (A/AC.138/87) refers to the work of Horn, Delach and Horn (Technical Report No. 3, NSF.GX33616) and Frazier and Arrhenius (Technical Report No. 2, NSF.GX340659). Also an unpublished manuscript in 1973, by Horn, Delach and Horn (Technical Report No 4, NSF.GX33616) was the source of some useful maps. So much of the information referred to by Mr. Moncrieff was, in fact, brought to the notice of delegates to UNCLOS III (UN Law of the Sea Conference).

In May this year, however, the ILO presented a report in Geneva which underlines this problem of the economic threat especially to developing countries, to exporters of these metals from land-based mining. The suggestion here is that the danger comes from a possible lower cost of production than on land. For instance, the average production cost of copper is about $US0.30 a pound from land compared with $US0.15 a pound from the ocean. This comes from a work of Mero's, dated March 1971.

Of course, no one can really know, but the threat to land mining operations is inevitably there to some extent. This fact has been recognised by UNCLOS III and references to the need for special protection for developing countries' economics occur in the negotiating text prepared by the chairman of Committee I (A/CONF 62/WP.8/Part 1). It is well known that this document binds no State or individual, and we must wait and see what, if any, agreement finally emerges.

Perhaps the most encouraging note is sounded in the ILO report, aforementioned, which suggests that deep-sea mining ventures are not delaying increased production of minerals from the deep-seas because of lack of technological ability, or of economic constraints, but rather a wish to await a political settlement regarding the law of the seas and the development of a legal framework conducive to expanded production. Let us hope this admirable restraint continues at least until the next session of UNCLOS III.

Georgina Chambers.
World Development Movement,
Bedford Chambers,
Covent Garden, W.C.2.

Today's Events

GENERAL

Common Market national referendum result.

National Union of Seamen executive meets over pay talks deadlock.

Queen and Duke of Edinburgh receive eight international cricket teams, in London for Prudential World Cup.

Greek and Turkish Cypriot leaders continue talks, Vienna.

President Costa Gomes of Portugal continues visit to France.

COMPANY RESULTS

Fraser Ansbacher (full year).

COMPANY MEETINGS

Aberthaw Cement, Cardiff, 12.30.

Allied Polymer, Connaught Rooms, W.C., 11.30.

Burmah Oil, Glasgow, 11.30.

Clarke (T.), Savoy Hotel, W.C., 12.

Coates Brothers, Easton Street, W.C., 2.

Higgs and Hill, Waldorf Hotel, W.C., 12.

Kuala Selangor Rubber, 1, Great Tower Street, E.C., 12.30.

Lec Refrigeration, Bognor Regis, 11.30.

Pearson Longman, 10, Cannon Street, E.C., 10.30.

Pearson (S.), Millbank Tower, S.W., 12

Reyrolle Parsons, Newcastle upon Tyne, 12.

Rush and Tompkins, Sidcup, 2.30.

Silhouette (London), 84, Baker Street, W., 3.

Taylor Woodrow, Grosvenor House, W., 12.

MUSIC

Aldeburgh Festival of Music and the Arts begins Aldeburgh, Suffolk.

London Sinfonietta's last concert in 1974/75 season, conducted by Elgar Howarth, Elizabeth Hall, London.

English Chamber Orchestra with Handel Opera Society Chorus, perform works by Handel, Royal Festival Hall, London, 8 p.m.

Christopher Kite and Robert Ferguson (two fortepianos and modern pianoforte) play music by Bach, Mozart, Debussy, Fauré and Warlock, Purcell Room, London, 7.30 p.m.

Felicity Lott (soprano) and Graham Johnson (piano) perform music by Purcell, Schubert, Wolf, Debussy, Duparc, Schumann and Britten, Wigmore Hall, London, 7.30.

COMPANY NEWS + COMMENT

Kulim turns in £1.91m: pays maximum

PALM OIL, palm kernel, and rubber producers, Kulim Group, reports profits up from £1.21m. to £1.91m. for 1974, before tax of £1.27m. compared with £0.77m.

The final dividend is 0.83581p raising the total from 1.25p to the maximum permitted 1.35581p net.

	1974 £	1973 £
Profit*	2,139,242	1,373,485
Oil palms	2,031,227	1,140,749
Rubber	210,913	208,994
Building	67,115	100,497
Hotel loss	139,998	74,145
Interest, etc.	228,[illegible]	163,429
Profit before tax	1,910,674	1,210,066
Taxation†	1,274,314	765,064
Minorities	6,648	15,469
Net profit	629,694	429,493
From reserves	—	75,000
Interim dividend	212,059	208,150
Proposed final	364,673	312,195
Forward	98,655	38,695

* After depreciation £450,314 (£344,151). † Including ACT £301,303 (£242,985).

● comment

Kulim has duly increased its dividend by the maximum amount and the group's pre-tax profits are only fractionally short of mid-term estimates. Realised palm oil prices per ton doubled to around £220 in 1974, with profits following suit despite a sharp rise in fertiliser costs and the introduction of fiscal surcharges in April, 1974. Substantial forward sales have been made up to peak prices of £350 per ton but with current prices standing at £185, a profits shortfall this year seems unavoidable. Rubber processing activities have held up well, as have U.K. building activities, but off-season occupancy problems at the group's Tobago hotel seem far from solved. At 28½p the yield of 7.6 per cent. is covered 1.1 times.

INDEX TO COMPANY HIGHLIGHTS

AIB chief criticises new taxes

THE IMPOSITION in Ireland of the proposed new taxes on wealth, capital gains and capital transfers, at a time when inflation and falling profits had already made it impossible for savers and investors to maintain the real value of their assets, is criticised by Dr. E. M. R. O'Driscoll, chairman of Allied Irish Banks, in his annual statement.

AIB operates an extensive branch network in Northern Ireland, as well as in the Irish Republic, and Dr. O'Driscoll notes with regret that the continuous growth of industrial production there over the past decade came to a halt in 1974.

The difficult overall economic and political climate in Northern Ireland adds greatly to the problems business is encountering by reason of the liquidity crisis. There is need for continuing help from the authorities, but the business community also required a degree of self-help in the form of "wise influence on political life."

As reported on May 15, group pre-tax profits rose by 35 per cent. to £16.4m. or £15m. after a special provision against advances.

A rights issue of 10 per cent. Convertible Unsecured Subordinated Loan stock 1985 will raise £10.8m.

Alida ahead but below target

PROFITS OF polythene film and bag manufacturer Alida Packaging Group have failed to reach the projected £1.5m. for the year ended March 31, 1975.

After six months they had advanced from £302,000 to £823,000, but the full year has produced £1.16m., against £957,000 in 1973-74.

Trading in the latter half suffered as a result of the majority of customers being affected by a sharp decline in demand and consequently Alida's own production unit has been operating at below capacity—except the regranulating plant which is at full capacity.

At end-March, the group had about £1m. in cash balances and is well placed to take advantage of any improvement in trading conditions.

But the current year has started quietly and the directors expect to be running at low levels for some time yet.

However, the directors do not intend to wait for the economy to improve, and steps are being taken to achieve an improved sales penetration in sections where demand is holding good. Manufacturing efficiency will be further improved by the expenditure of £250,000 on more advanced extrusion and conversion machinery giving higher output rates. The aim overall is to achieve a larger share of a depressed market.

The final dividend is 3.8891p net, to lift the total from 4.76p to 5.23p.

	1974-75 £	1973-74 £
Sales	6,439,619	4,591,036
Profit before tax	1,160,523	955,996
Taxation	*622,419	[illegible]
Net profit	538,104	474,986

* Includes £101,200 (£39,000) deferred.

● comment

The onset of destocking has knocked Alida's £1.5m. profits forecast firmly on the head, and against a background of falling prices and low capacity working, second half pre-tax profits have nearly halved on static turnover. Plastic reclamation has contributed about two-fifths of the overall profits growth and, in supplying over a fifth of the company's raw material requirements, has been instrumental in reducing working capital by £150,000 last year. Cash flow has, in fact, gone straight through into the group's bank account, and a £1m. balance compares with a market capitalisation of £2.6m. at 82p. Profits are clearly going to fall this year, but the group appears to be timing its expenditure programme well and a yield of 10 per cent., covered over four times, is a good prop for the share price

Statement Page 25

Plysu steady at £0.49m.

A MARGINAL increase in pre-tax profit from £489,000 to £491,000 for the 12 months to March 31, 1975 is announced by Plysu, makers of plastic containers and domestic wares, after £330,000, against £212,000 at half-time.

Stated earnings per 10p share are up from 4.3p to 4.6p and a final dividend of 0.634p net makes a total of 1.036p, compared with 1.073p adjusted for a one-for-one scrip issue.

The directors say that recently they have seen some improvement in demand and products and the company is back to full time working although certain equipment is still under utilised. They believe that this spare capacity will be rapidly filled when the economy starts to improve.

● comment

Plysu's second half performance—falls of 8 per cent. in sales and 42 per cent. in profits—highlights the effect of the drop in demand for containers towards the last quarter of the year. Plysu points to a gradual recovery as customers overcome their period of destocking, but there is still overcapacity of between 20 and 25 per cent. to be taken up. Current trading is unlikely to push profitability much above the £161,000 reported for the last six months, but there are a couple of pointers to a better performance than that. First, acquisition of the proprietary range of Ekco Plastic's kitchen and bathroom accessories should give a substantial boost to the household division, historically accounting for a third of profits. Secondly, the joint venture in Holland opens possibilities in Europe. Nevertheless, a drop in profits looks inevitable at present, but the shares at 37p still command a yield as low as 4.4 per cent.

Progress by Holt Products

IN SPITE of national difficulties in the year to January 31, 1975, the recovery of Holt Products has continued, and profits have again increased—from £614,627 to £701,732 before tax, after a rise from £206,000 to £231,000 at halfway.

But the directors warn that results for the first three months of the current year are "considerably" below the targets set for the period, and it is unlikely the shortfall will be recovered.

	1974-75 £	1973-74 £
Group turnover	7,101,045	5,8[illegible],147
Profit	701,732	614,627
Taxation	371,263	341,757
Minority	3,431	[illegible]
Attributable	325,038	266,200
Extraordinary credits	—	[illegible]
Making	325,038	309,[illegible]
Interim dividend	60,390	60,790
Final proposed	86,704	86,704

Budgets are being revised to minimise the effect, and every effort is being made to ensure that targets for the rest of the year will be achieved, they add.

The net dividend for the past year is again 1.705p per 10p share with a final of 1.005p. The total gross equivalent is 25.9 per cent. against 25 per cent.

The group makes and distributes automotive chemicals, accessories and repair products.

● comment

A steady profits advance from Holt leaves the year 14 per cent. higher and only £40,000 away from a complete recovery to the 1968-69 figure. But the tone of the accompanying statement does leave doubts whether Holt can bridge the gap this year. Destocking by retailers and wholesalers has bit sales but this is only a temporary factor. Perhaps more worrying is that the old argument of pressure on consumer spending turning more motorists to DIY maintenance, thus boosting Holt's sales, is not being borne out in practice. Probably the real conditions are that while motorists are turning to own maintenance, they are neglecting jobs that do not demand immediate attention, and this can hit some of Holt's product lines such as spray paints. The group may well be capable of holding profits this year, but a fall should not surprise. Meanwhile the yield of 11.2 per cent. at 24p has few worries, with cover over twice.

Freddie Mansfield

Lord Robens, chairman of Vickers, who said yesterday he would be "greatly disappointed" if the results for 1975 fell significantly short of the "excellent" figures achieved in 1974. (See Page 22.)

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alida Packaging	3.89	—	3.52	5.23	4.76
Buckley's Brewery	0.64	July 4	0.58	0.92	0.84
Caplan Profile ....int.	1.5	July 25	1.5	—	4.02
Elsburg ....int.	13(a)	—	11.7	—	45.5
Robert Farnworth	nil	—	0.4	0.35	0.75
Goldring	0.53	July 21	2.24	1.05	3.29
Holt Products	1.01	—	1.01	1.71	1.71
E. E. Jeavons	1.69	—	1.55	2.44	2.25
Jessups (Holdings) ....int.	0.39	July 11	0.4	—	1.19
Kulim Group	0.86	July 25	0.75	1.36	1.25
New Throgmorton Trust	0.81	July 17	0.7	1.66	1.79
Plysu	0.63	July 31	0.65*	1.04	1.07*
Rand Selection ....int.	32(a)	July 15	30	—	40
Triefus & Co.	2.57	July 25	2.36*	2.57	2.36*
U.S. Debenture ....int.	0.7	Aug. 1	0.7	—	2.42
View Forth Trust	0.9	July 11	0.55	1.37	0.9
Western Areas	20(a)	—	18	—	70
B. S. & W. Whiteley	2.24	—	2.24	2.74	2.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) South African cents.

£0.26m. rise for BS&W Whiteley

FROM turnover up from £3.24m. to £4.97m., taxable profit of B. S. and W. Whiteley rose from £420,043 to a record £681,649 in the year to March 31, 1975, after £240,721, compared with £86,670 at halfway.

Earnings per 25p share are shown to have advanced from 5.1p 5.93p and a final dividend of 2.2375p net (same) increases the total from 2.5p to 2.7375p.

In his annual statement in June last year, the chairman, Mr. D. H. Whiteley said future profitability should in all normal circumstances be assured.

● comment

Second half profits at Whiteley rose by a third, as the long-term rationalisation programme continued to pay off. Since the mid-sixties, when the U.K. transformer market started looking shaky, the group has concentrated on geographical and product diversification. Over 50 per cent. of production now goes overseas; higher stock turn and an improving assets: turnover ration show that internal inefficiencies have been progressively weeded out too. There is scope, apparently, for margins to rise another 5 points to 20 per cent., which possibly explains the proposed acquisition of a third of Whiteley's equity by Weidmann, the group's main overseas competitor. The impending Monopolies Commission judgment on the share acquisition could affect fulfilment of the rationalisation programme. In the meantime, a yield of 14 per cent. at 32p is taking a dim view of prospects.

Goldring slumps to £20,000

A SECOND half loss of £90,000 has reduced drastically pre-tax profit of Goldring from £434,339 to £19,849 in 1974.

The directors point out that in common with other Hi-Fi companies, 1974 was a disappointing year for Goldring, caused mainly by a reduction in turnover of 18 per cent. from £2.55m. to £2.1m. Exports were up by 61 per cent.

They state that it is very difficult to forecast prospects for 1975 "which could well be adversely affected by the introduction of the higher rate of VAT on Hi-Fi products."

However, they are confident that the company is in a good position to meet the difficult trading conditions at this time.

At the halfway stage, when pre-tax profit was down from £234,216 to £110,670, the directors said that, although there were some signs of a recovery in home demand, it was not anticipated that year-end results would compare with 1973.

Earnings per 10p share in 1974 are shown to have fallen from 5.4p to 0.12p. Dividend total is down from 3.29p to 1.05p net, with a final of 0.525p (2.24p).

	1974 £	1973 £
Turnover	2,097,179	2,547,[illegible]
Operating profit	45,[illegible]	414,339
Exceptional expend.*	25,4[illegible]	—
Profit before tax	19,849	434,339
Tax	15,336	216,574
Profit after tax	4,513	217,765
Extra-ord. debit	—	993
Dividends	42,000	131,600
Transfer from reserves	[illegible]	[illegible]

* Relates to disruption costs from transfer of factory facilities to Bury St Edmunds. † To reserves.

● comment

Goldring's fortunes have been slipping for the last three six-monthly periods, to the point where the company has now incurred losses. Demand for hi-fi stereo equipment has been on a decline for a number of months but the effects have been more noticeable in the higher price bracket, where Goldring specialises. Now the sector has to contend with higher VAT, so short term recovery prospects look slim, despite the need for the retail end to re-stock after the mini pre-Budget boom. Demand for Goldring products has so far been running at the 1974 year-end levels, thanks to a move into medium quality goods and a strong export trend. But the shares at 13p yielding an uncovered 13 per cent. will need more than this to fuel any recovery hopes.

G. A. ROBINSON

G. A. Robinson has exchanged contracts for the sale of its tool merchanting branches at Huddersfield and Coventry. The Huddersfield branch has been sold to Runquest (a subsidiary of Readson, of Manchester) for £235,000 cash, compared with a book value of £221,876. The Coventry branch has been sold to A Hallen and Co. (a subsidiary of British Steam Specialties) for cash of £70,000, which was the book value at February 28, 1975.

SHARE STAKES

Melbourne and General Investment Trust—Slater Walker Securities, its subsidiaries, investment trusts, etc., are now interested in 538,147 Ordinary shares (11.72 per cent.).

BIDS AND DEALS

Johnson Firth Brown growth

Johnson and Firth Brown, the Sheffield-based special steels group, is forecasting an increase in pre-tax profits for the year to June 30, 1975, from £7.21m. to "not less" than £8.25m.

At the same time, the directors are forecasting a total dividend for 1974-75 of 5.457p a share gross. An interim of 0.875p has already been declared for this year and N. Greening and Sons holders accepting Johnson's offer would be entitled to the final of 4.582p.

This is disclosed in documents containing the formal offer for Greening, the wire manufacturing group. The Greening directors are resisting the bid.

In a letter to Greening shareholders outlining the concepts of Johnson's rod and wire division, Mr. J. M. Clay, Johnson's chairman, says similar concepts applied when John Rigby and Sons was acquired in 1971. Since then the activity has been "rigorously developed," the number employed having risen some 30 per cent. and profits rising five-fold, he says.

"It is our intention to develop the markets for Greening's products, to identify the growth area and to inject capital into the appropriate facilities," says Mr. Clay. The offer closes on June 26.

● comment

Johnson and Firth Brown's profits forecast for the year to the end of this month—a 14½ per cent. advance on 1973-74—is slightly higher than some external estimates at the half-way stage. This reflects the continued strength of the specialist wire, foundry and stainless steel sides. The group is still generally confident about prospects though admitting certain patchy areas—for example, at the lower quality end of the steel market. There have been few major changes in the balance sheet though net bank debt increased by about £3m. to £11m., and familiar inflationary pressures on working capital were offset to some extent by the lower copper price. The offer document draws a parallel with the merger of JFB with Rigby in 1971; the market will now await Greening's reply. At last night's prices, the JFB offer was worth 23p, against Greening's closing value of 27p.

YORK TRUST

York Trust, the investment banking and general engineering concern, has completed, through its U.S. subsidiary Electrochem, the acquisition of the capital of Yardney International from Whittaker Corporation of the U.S. Consideration was $1.25m. satisfied by the issue by Electrochem of a promissory note for that sum, guaranteed by the company. Against the note $550,000 has already been paid out of resources of Yardney and the balance is payable by quarterly instalments of $37,500.

More bids Page 21

MINING NEWS

Rand Selection makes a first-half R20m.

BY KENNETH MARSTON

PROFIT of R20.08m. (£13.19m.) for the six months to March 31 is announced by the Anglo American Corporation group's major gold share and insurance holding company, Rand Selection.

The 1974-75 interim is raised to ... cents (20.3p) out of earnings of 48.1 cents per share on the capital increased by last year's one-for-nine share acquisition of South Africa's Schlesinger Insurance and Institutional Holdings which became effective on April 1974.

In the year to last September, Rand Selection made a net profit of R43.9m. An interim of 30 cents was declared on the capital prior to the Schlesinger acquisition which was followed by a final of ... cents on the subsequently enlarged capital.

It will be seen that the past half-year's earnings, which include the contribution of Schlesinger, are less than half the total for the previous full year. But Rand Selection points out that investment income does not accrue evenly throughout the year and that the realisation of investments fluctuates, as do certain costs.

The latest half-year results thus do not mean a great deal by themselves, but the increased interim strengthens hopes that Rand Selection will turn in better profits for the current half of the year to September 30. The shares were £10¼ yesterday.

WESTERN AREAS

An interim dividend of 20 cents (12.7p) is declared by Western Areas. The Johannesburg Consolidated group gold producer declared an interim of 18 cents a year ago and followed this up with a final of 52 cents.

Some observers had been expecting that the latest payment would show a greater increase in order to reduce the disparity between dividends. It will be recalled that in March the Western Areas chairman reckoned that it was unlikely that the current year's total would show an increase on the 70 cents paid for 1974.

The holding company, Elsburg, is paying an interim of 13 cents (8.2p); for 1974 an interim of 11.7 cents was followed by a final of 33.8 cents.

KENNECOTT MAY BE COMPENSATED

The Papua New Guinea Minister for Mines and Energy, Mr. Paul Lapun, is reported from Port Moresby to have said that the country will seek to give "appropriate recognition" to America's Kennecott Copper for discovering and testing the Ok Tedi copper prospect if talks on developing the project are successful.

Kennecott has spent some $A16m. (£9.2m.) on drilling work which has outlined 150m. tonnes of ore grading an average 0.9 per cent. copper before the final breakdown of negotiations with PNG regarding development of the project. Since then, the country has been going it alone but Mr. Lapun said yesterday that talks are continuing with a number of companies.

As reported here yesterday, PNG is prepared to spend $A6.5m. (£3.7m.) on a preliminary feasibility study and it is hoped to save money by developing the prospect's two main known deposits, Olgal and Fubilan. Drilling is to start at Olgal in October and at Fubilan — which was being investigated by Kennecott — early next year.

GREENVALE LOAN DRAMA ENDS

The drama surrounding the Greenvale lateritic nickel project of Freeport Minerals and Metals Exploration seems now to have ended. It began with the fear that if Metals Ex. could not find its $8m. share of the over-run costs of the $264m. Australian venture, which is due to reach full production sometime next year, then Greenvale would have to be closed down.

But, as expected, the finance problem has now been solved: Freeport is to lend $8m. on an unsecured basis — $1m. immediately and the remainder on completion of documentation of the Queensland Government's proposed loan of $8m. to the struggling Metals Exploration. Shares of the latter were unchanged yesterday at 38p.

DE BEERS LIFTS AFRICAN WAGES

An increase in wages is announced by De Beers for black workers employed on its diamond mines in South and South West Africa. As from June 1, a minimum increase of R10 (£6.36) a month will bring the basic rate to between R80.60 (£51.33) and R91 (£57.96) per month.

The highest monthly wage, that of shift bosses and equally skilled men, is now R357 (£227). The minimum basic rate is brought up to R3.10 (£1.97) per shift compared with £2.20 (£1.40) recently awarded by the Chamber of Mines to black workers on the gold mines.

GOLDEN MILE

Australia's Kalgoorlie Lake View, which is jointly controlled by Western Mining and Poseidon, is having to restrict gold mining at its Fimiston leases on the Golden Mile to the higher-grade orebodies. This move results from the continued rise in operating costs coupled with the expense of rehabilitating plant and equipment. Operations at Mount Charlotte will continue as usual, it is added.

The Kalgoorlie Lake View treatment plant has been also handling gold ore produced in the Fimiston area by North Kalgurli whose own plant has been converted to deal with nickel ore supplied by other companies. But last month North Kalgurli announced that because KLV could no longer provide these plant facilities, the company had suspended gold production at Fimiston.

MINING BRIEFS

SAINT PIRAN—May production of Tin metal in concentrated figures in metric tonnes: Malaysia 20; U.K. treated 16,899, produced 103 (April 18 and 102 respectively).

HONGKONG TIN—May output of Tin ½ tonne (April same).

KILLINGHALL TIN—May output of Tin 47 tonnes (April 44½ tonnes).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. & or Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£56½	£42½	Bell Canada ($20)	£32½	−1⅝	—	—	—	—
♣	F.P.	—	£22¼	£17⅛	Cont. Can. Inc. $US1	£19⅝	−½	$1.8	—	4.1	—
✤R2	F.P.	30/5	365	293	Deelkraal Gold Mining	325	−20	—	—	—	—
::	F.P.	—	144	120	Ewart New Northern	141	......	—	—	—	—
140	F.P.	20/6	181	154	Rank 'A'	170	−5	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100½	98⅝	Agricultural Mortgage 11% 1976	100	......
✤£100	Nil	11/6	40	25	Allied Irish 10% Conv. Uns 1995	29	−½
£100	£10	11/7	11¾	11⅛	Colne Valley Water 9% Red. Prf. 1980	11½	−¼
✤£100	F.P.	6/6	130	121	Gestetner 'A' 10% Conv. Uns. '90/95	130	+2
$98	F.P.	—	$98	$95½	Granges 9¾% Bonds 1985	$98	......
£97¾	£40	—	39¾	37	GLC 12½% Stk. 1982	38⅝	......
a	F.P.	22/8	100	98	Greenwood & Batley 15% Uns. 1976	98½	......
£99	F.P.	30/5	102¼	98½	Lincoln Corp. 1s% 1980	101	......
††£99	F.P.	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	104½	......
••	F.P.	25/5	105½	101¾	Mid-Southern Water 10% Prf. 1980	103xd	......
$100	F.P.	—	$101	$100½	Norsk Hydro 9¾% Bds. 1985	$101	......
£100	F.P.	31/5	118	106	N. Atlantic Secs. 7¼% Cnv. 95-98	118	+½
$98	F.P.	—	$99	$96½	Ottawa-Carleton 8% Deb. 1991	$99	......
$99	F.P.	—	$101	$92½	Papua New Guinea 9½% Guar. 1985	$101	......
††£76	F.P.	—	103¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	103½	......
£100	F.P.	30/5	165	122	Slough Estates 10% Cnv. Uns. 87/90	144	−5
£99½	£45	1/8	46¼	43½	Southend-on-Sea 12½% 1981	44½	......
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104	−½
••	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	101½	......
£99¼	£65	11/7	65	65	Warwickshire 12¼% Red. Stk. 1980	65	......
£1	nil	24/6	8	7	Waterford Glass 10% Conv. Cum. Red. Pref.	8pm	......
—	F.P.	14/2	90	80	Worth (Bond) 12% Conv. Uns	86	......
✤£100	£50	2/10	97	67	Yorks Chems 12½% Conv. Uns	81	+5

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates ↑	Latest Renunc. Dates ↕	Stock	Closing Price p	+ or −
100	F.P.	28/5	30/5	Ash & Lacy	140	+1
35	F.P.	16/5	2/7	Associated Biscuit	67	−1
43	Nil	—	—	Associated Engineering	19½pm	+2
10p	F.P.	15/5	16/6	Aurora Holdings	11¼	......
35	F.P.	28/5	30/5	Cadbury Schweppes	47	−1
A$1.60	Nil	—	—	Commercial Bank of Australia	85pm	−30
55p	F.P.	19/5	10/6	Delta Metal	68½	−½
25	Nil	13/6	11/7	Elliott Grp. (of Peterboro)	11pm	−2
150	Nil	10/6	12/6	Fairclough (Leonard)	28pm	+2
175	F.P.	19/5	20/6	Guest Keen	265	+2
52	Nil	16/6	11/7	Hawkins & Tipson	21pm	−½
25p	Nil	—	—	Hestair	41pm	......
125	F.P.	4/6	6/6	Linfood Hldgs	165	+8
40	Nil	13/6	11/7	Macarthys Pharm	16pm	......
100	F.P.	28/5	30/5	Manbre & Garton	126	......
100	Nil	11/6	11/7	Marshalls Universal	28pm	+2
60	F.P.	21/5	25/6	Martin Black	105	−1
60	F.P.	16/5	13/6	Morgan Crucible	90½	......
25p	Nil	10/6	12/6	Pahang Cons	¾pm	−½
105	Nil	19/6	17/7	Prudential Ass	25pm	+1
47	F.P.	4/6	16/7	Richard & Wallington	64	......
Kr60	Nil	—	—	S.K.F. "B"	200pm	......
95	F.P.	31/5	2/6	Simon Eng	108	−2
315p	Nil	9/6	11/6	Sun Alliance	116pm	......
125	F.P.	30/5	3/6	Tarmac	139	......
75	Nil	—	—	United Biscuits	25pm	......
23	F.P.	27/5	9/6	Western Selection	54	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. g Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. •• Issued by tender. ✤ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. † Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ♯ With warrants.

Jefferson Smurfit confident

THE CURRENT year has not started well for Jefferson Smurfit, the Dublin-based packaging, print and distribution group; and chairman Mr. J. Smurfit says there is no doubt the year will be a tough one for the industry and "we will not be unaffected."

However, he is confident that the medium and longer term prospects are excellent. As a measure of confidence the Board has budgeted £2m. capital expenditure this year for re-equipment alone.

The chairman says the universal problem of stocks has affected the majority of customers in the U.K. and Ireland. The recession, consumer restraint, and the U.K. Budget are not helpful. There are, however, signs of a revival of business confidence and although the first quarter of the year has been disappointing he is expecting a continuing improvement through the rest of the year.

A bright spot is Nigeria where the vast oil revenues are being reinvested within that country. A number of new developments—one of which is a new corrugator—are due to come on stream during the year and will contribute significantly to this important profit centre.

He is confident that the American economy will return to a more normal level later in the year which in turn could lead to shortages of paper as experienced before. However, action taken should ensure that in future the effect of any world-wide raw material shortages should be minimised.

The current year's performance has been marred by the effects of stoppages in production by some major customers. The fuel strike in Ireland in the latter part of April caused some units to cease production.

The financial position remains "strong and healthy." Borrowings are still at much the same level in percentage terms of shareholders funds as last year, and the interest cost is covered quite adequately.

Borrowings structure is also extremely sound in the current economic climate with little of the total in short-term and 87 per cent. of the borrowings in long-term. Repayment schedules are not onerous and are well within the projected levels of future cash flow.

In the year ended January 31, 1975 turnover expanded from £53.9m. to £78.51m. and profits doubled to £8m., as reported on April 29 with the 10p (5.625p) gross dividend.

Included in the accounts is a statement on a CPP basis showing turnover at £86.7m. (£70.1m.) and profit before tax at £8.3m. (£4.5m.). Mr. Smurfit hopes these will be of interest to shareholders, "though our management are far from convinced of their practical value." Internally, the directors favour a form of replacement cost accounting or a combination of the two systems.

The company believes in using the LIFO method and calculated the effect of valuing stocks in print and packaging companies in Ireland and the U.K. in this manner. This cannot be introduced into the accounts proper, so the directors propose to appropriate to a separate reserve an amount equal to the after-tax adjustment which this LIFO method will produce.

Slater urges cut in home consumption

BY NICHOLAS LESLIE

MR. JIM SLATER, chairman of the Slater Walker Securities investment and banking group, maintained yesterday that what the country needed after the referendum was either a recessionary trend to bring it back to reality or a Budget to reduce home consumption.

If either happened, and if the moderates triumphed, "then I would be rather bullish about the general outlook."

Mr. Slater's assertion came at the company's annual meeting in London, where he forecast that profits this year would be "very low indeed."

He strongly supported Britain's continued membership of the EEC. "If we broke our word and came out it would be disastrous for the pound and disastrous for Britain in a trading sense."

While forecasting low profits this year, Mr. Slater said it was intended to pay the maximum dividend permissible.

He shed further light on the large-scale disinvestment by SWS late in 1973 and 1974. While its borrowings never made it as highly geared as some companies which collapsed, SWS was under considerable pressure "at times."

In 1973 Stock Market prices were thought too high and it was decided to begin selling investments on an optional basis. However, "our option on sales became compulsion," he said after the meeting.

The group's main task this year would be to "reduce our substantial property portfolio." This, Mr. Slater said later, totalled some £65m., about £40m. of which related to the U.K.

The company would continue to buy in long-dated loan stocks when suitable opportunities arose. There would be investment in attractive general investment opportunities and further strengthening of corporate banking, insurance and investment.

The insurance company was in a strong position, with current cash balances at over £20m., "and we intend to invest a large proportion of this in suitable investment opportunities."

Commercial banking was reduced and would in future be on a lower key.

BIDS AND DEALS (Cont'd)

Tremletts sales to Intnl. Timber

BY DAVID BELL

Tremletts, the troubled timber and engineering group which is in the process of a major reconstruction after writing down the value of its Tower Assets subsidiary, has sold six of its U.K. timber companies for about £2m. in cash, which will be set against group indebtedness.

The six companies, two of which were owned by Tremletts before it took over Tower, are being sold to International Timber Corporation. They are Hahn and Co. and Waterman and Ross, of London; George and Tudor, of Hereford; Shepherd Bros. (Somerset), of Highbridge; J. W. Jacob (Timber), of Coleraine, and Irvine and Sellers of Belfast.

Tremletts' net indebtedness in the pro forma accounts issued in connection with the reconstruction is about £10m. Tremlett Holdings, the new company formed in the reconstruction, will be able to set the proceeds of the sale, which is subject to contract, against net indebtedness and the provisions for overseas subsidiaries' losses.

Prof. Roland Smith, the new chairman of Tremlett Holdings, said: This sale is consistent with the policy stated in the reconstruction document. It is understood that Tremletts may in due course sell more of its timber subsidiaries, many of which are overseas.

The reconstruction document issued by Hill Samuel at the end of April laid the group's problems squarely at the door of Tower and, in particular, Tower's Dutch and Far East subsidiaries.

Mr. Robert Law, chairman of International Timber, said the new acquisitions, which are to be financed by bank borrowings, would improve coverage of the U.K. market, particularly in the West Country. Hahn, which specialises in hardwoods, is probably International Timber's biggest competitor in that field.

J. BIGWOOD SOLD BY GREENWOOD & BATLEY

Greenwood and Batley, the investment holding company, is selling its Joshua Bigwood and Son subsidiary to Maurice James Holdings in a deal involving around £580,000.

In April, Greenwood disclosed that it had bought a near 1.6m. holding in James—29 per cent. of the capital—at 32p a share. Some 530,000 were bought from Mr. Maurice James, the chairman, and Mr. C. W. Ward, managing director of James.

Bigwood, based at Wolverhampton, makes metal forming and processing lines, tube making machinery and industrial heating and dust control equipment. Its sale to James is subject to approval of the Greenwood shareholders at an extra-ordinary meeting to be convened.

Consideration for the sale is £378,500 but, in addition, James will procure repayment to Greenwood of its loan account with Bigwood, which will not amount to more than £203,500.

Because the sale involves what is described as a "fundamental change in the group's structure," Greenwood has asked for a temporary suspension of the listing of its Ordinary shares and convertible loan notes—suspension price of the shares was 38p.

Greenwood's directors said they were "actively examining possible acquisitions," and when these materialised, they intended to apply for a re-listing.

On completion, Mr. T. Wilson, a director of Greenwood, will join the James Board. Full details of the deal will be sent to shareholders of both Greenwood and James as soon as possible.

PENTOS-WBG

Pentos has written to the remaining shareholders and loan stockholders in Wright Bindley and Gel urging them to accept the Pentos offer rather than remain as minority holders. Pentos announced last month that it had acquired more than 50 per cent. of W. B. and G., and the offer has become unconditional. It closes on June 16.

MYH CRODA

Following the Takeover Panel's decision not to act upon a request by Midland-Yorkshire Holdings to investigate dealings in MYH shares in the closing hours of Croda International's bid last Friday, dealings were resumed in both MYH and Croda shares yesterday.

MYH closed 10p up at 480p, while Croda eased 2p to 67p. Dealings in MYH Preference, debenture and unsecured loan stocks also resumed, as did dealings in Croda's unsecured loan stock and convertible unsecured loan stock.

ASSOCIATE DEAL

Cazenove incorrectly stated in an announcement on May 30 that they had executed a purchase of 5,000 Paterson Zochonis at 370p on behalf of Cussons—the bargain was in fact executed on behalf of a discretionary investment client of an associate of Cussons.

SHARE STAKES

Hellenic and General Trust—Merchandis and Investment Trust, a wholly-owned subsidiary of Hambros, has bought a further 7,000 Ordinary to make its holding up to 8,167,820 shares which, with £500,000 5 per cent. Preference, represents 52.671 per cent. of issued capital.

Baker Perkins Holdings—Slater Walker Securities, its subsidiaries, investment trusts, etc., are now interested in 2,484,495 Ordinary shares (13.67 per cent.).

City Offices—Bricomin Investments (a subsidiary of British and Commonwealth Shipping) has acquired a further 50,000 Ordinary increasing its holding to 6,030,000 shares (approximately 26.44 per cent.).

Following the placing of 1m. shares on April 28 of Petrocon Group both Mr. J. R. Pound and Mr. P. G. P. Hodgson ceased to be beneficially interested in 10 per cent. of the equity capital.

Mr. M. S. Vickers has acquired a further 190,000 Ordinary in Whinsparken Investments making his total interest 1,039,750 (26 per cent.) shares.

Nairn three-point plan to improve profits

TO PRODUCE improved profits Nairn Williamson was concentrating on a three-point plan—increasing prices, boosting sales and making economies—chairman Mr Willis Roxburgh told the annual meeting in Kirkcaldy yesterday.

Following the introduction of increased prices for a considerable range of the group's products in March 1975, losses incurred in the first two months began to be recoupled and should be eliminated by the end of the half-year, Mr. Roxburgh reported.

Turning to the immediate three-point objective, the chairman warned that "U.K. Price Commission restrictions apart, there is a limit to which prices can be increased and remain acceptable to the trade and public at home or overseas. Our economy drive continues and is already showing positive results. We are striving considerably to expand our sales, but momentarily this is not easy because of the economic recession affecting most of our major markets."

The company was soundly based, Mr Roxburgh told shareholders, and it had a comprehensive range of saleable products and some promising new products under development. The cash position had improved since the beginning of the year, he added.

Although he could make no firm prediction when combined home and export demand would fully revive, Mr. Roxburgh said "when it does, your company is absolutely capable of meeting it and earning profits of the 1973 level and better."

For the year 1974 Nairn Williamson reported reduced pre-tax profits of £1,389,000 (£2,741,400) on a turnover of £27,816,000 (£23.9m.).

The group produces domestic vinyl floor coverings and vinyl coated wall coverings, simulated fur fabrics, other fashion and upholstery fabrics and textile floor tiles, etc. It also owns Nairn Travel, a retail travel organisation.

Strong Huntleigh finances

A satisfactory performance for The Huntleigh Group in the current year is expected by the chairman, Sir Joseph Hunt, although second half prospects are better than the first.

He also expects further to extend the foundations for continued growth.

For the hymatic activities, backed by a good order book and a widened product range, a further advance is expected in the current year. But Edieron and Darwen Storage will be working against the adverse factors in the economy.

Sir Joseph reports that the group ended 1974 with a stronger cash position than at the start, and the company was able to secure the favourable purchase of two young companies.

As known pre-tax profit increased from £418,070 to £654,064, and the dividend is 17.71 (11.93) per cent. net. A breakdown of turnover and profit (in percentages) shows electronics 28 and 38; engineering 62 and 39; industrial storage 10 and 23.

Two directors, Mr. R. Schild and Mr. P. C. Epstein each beneficially held 12.2 per cent. of the Ordinary, while Industrial and Commercial Finance Company held 15.1 per cent. at end 1974.

NETLON EXPANDS

Netlon has acquired the share capital and trading interests of the two associated companies Extruded Fabrics and Tuff-Net. Extruded are suppliers of plastic mesh products mainly to industrial markets while *Tuff-Net is* the brand name for a range of horticultural mesh and net products. Netlon manufacture a wide range of extruded plastic mesh and netting in this country and throughout the world.

Barclays Intnl. up £3m. in first half

FIRST HALF pre-tax profits of Barclays Bank International have increased by £3m. to £31.5m., a result which Mr. A. F. Tuke, the group chairman, says is not unsatisfactory, taking into account the general reduction in growth of economic activity coupled with the sharp rise in costs throughout the world.

The profits include the share of profits, less losses, of associates. After heavier tax and providing for outside interests, the first half net balance improved from £12.1m. to £13.2m.

Extraordinary credits are substantially lower at £539,000 against £5.7m., leaving the attributable balance for the period at £13.8m., compared with £17.8m. The 1975 extraordinary items comprise losses on exchange rates realignment, and surpluses on disposal of trade investments, the transfer of part of the bank's business to an overseas subsidiary and part of *the group's holdings in certain* subsidiaries.

In accordance with group practice, goodwill arising on acquisitions amounting to £1.22m. has been charged direct to reserves. A transfer to minority interests of £4.18m. arising from a public share issue by a subsidiary has been made from reserves.

A first interim dividend of £536,000 (equivalent gross £800,000) in respect of the year ending September 30, 1974, was declared and paid on March 27 last.

The bank is a wholly-owned subsidiary of Barclays Bank Ltd. but has its own quoted unsecured loan capital.

	1975 £000	1974 £000
Group profit	31,525	28,549
Taxation*	15,473	13,859
Outside holders	2,548	2,570
Balance	13,241	12,120
Extra-ordinary credits†	539	5,710
Attributable	13,780	17,830

* Including overseas £14.7m. (£12.5m.).
† Group proportion after tax and outside interests.

The March 31, 1975 group statement of accounts shows the following:

	£000
Cash, etc.	417,758
Short-term funds	1,081,842
Total liquid assets	1,498,998
Investments	477,155
Advances, etc.	4,865,220
Invests. in assoc. cos and trade	56,072
Premises and equipment	129,557
Acceptances, etc.	1,071,456
Ordinary capital	120,000
Reserves	[illegible]
Outside interests	39,87[illegible]
Loan capital	74,599
Current, deposit, etc., accounts	6,465,004
Acceptances, etc.	1,071,456
Balance sheet total	7,873,189

Short-term funds include: British and other Government treasury bills £[illegible]m. and bills available for rediscount with central banks £109.46m. Investments include securities of or guaranteed by the U.K. and other governments £[illegible]m.

Statement Page 23

BERWICK TIMPO

Addressing the annual meeting of Berwick Timpo, the chairman, Mr. J. D. Oakley, said results for this year were even more difficult than usual to forecast but, bearing in mind the company's concentration on low and medium priced toys and games, he believed they would be satisfactory.

Owen Owen makes a good start

MR. J. A. H. NORMAN, chairman of the Liverpool-based departmental store group Owen Owen, reported at the annual general meeting that group results at the end of the first quarter were "significantly" in excess of those achieved in the same period last year.

In the U.K. they reflected, as referred to in the chairman's annual statement, the very high level of sales increases which continued unabated until May 1 when the new luxury rate of VAT came into operation.

Subsequently, sales in the affected merchandise—principally electrical and audio—had fallen away sharply but the high level of business in the remaining household sections and in clothing and accessories had been largely unchanged.

Thus, for the month of May, the sales increase in this country was 18 per cent. which the Board considers satisfactory.

Mr. Norman also reported that results in Canada for the first quarter had been ahead of last year and also of the management budget.

He said group performance to date augured well for the first-half result, to be announced during September. According to practice, he made no prediction on the outcome of the full year which, as always, would be "so dependent" on the level of sales in the traditional high-spending months ahead of Christmas.

The profit-sharing formula produced a sum after tax of £50,000 which was applied in the acquisition of 99,000 Ordinary shares. This year's allocations were, therefore, proportionately higher than last year and some 2,000 staff now participated in the scheme in this country.

With the experience of the first two years of the scheme, the directors were now considering whether any aspects required reappraisal to ensure successful continuity in the future.

Progress by Camrex

The annual meeting of Camrex (Holdings)—paint manufacturers, corrosion engineers and contractors—was told that for the four months ended April 30, 1975, unaudited results showed group turnover up by 25 per cent. and profits in excess of £300,000.

For all the year 1974, pre-tax group profit totalled £1.59m., of which £758,000 came in the first six months.

Meeting Page 23

Strong order books at Vickers

LORD ROBENS, chairman of Vickers, told yesterday's annual meeting he would be "greatly disappointed if the company's results for 1975 fall significantly short of the excellent figures achieved in 1974."

He said the twin impact of inflation and recession had been felt in some sectors, but the year had begun with strong order books and the company was "fortunate in the wide range of our activities and in their geographical spread."

Higher profits were expected this year from Roneo-Vickers and Howson-Algraphy, he added.

On the proposed nationalisation of Vickers' shipbuilding and aircraft interests, Lord Robens said that, particularly as these interests were in unquoted companies, "a formula has been set out in the Bill which, if applied rigidly, would certainly not provide fair compensation. If however, all relevant factors are taken into consideration during the negotiations, as the Bill suggests they will be, then perhaps the outcome will be fair especially if impartial arbitration can take place if necessary.

"The true value of a business can be assessed only on its assets, its recent profit performance, its profit prospects and any special circumstances that may exist—and all this at the time of sale and not at some point in the past arbitrarily determined," he said.

The loss of Vickers shipbuilding in Barrow would be "grievous" but the company would still be left with a wide range of other activities employing large numbers and "exporting energetically."

Lord Robens stressed it was not certain that in 1975 the shipbuilding division would contribute as large a share of the profits as it did in 1974, as this was an exceptional year. "In looking at our 1974 figures some commentators have perhaps read too much into the fact that a high proportion of our pre-tax profits came from the two activities scheduled for nationalisation."

The 1975 results would be likely to show that the company was rather less dependent for profits on the activities scheduled for nationalisation than the 1974 figures might suggest, the chairman said.

Midway fall at Caplan Profile

PROFIT before tax of Caplan Profile Group is £43,216 lower at £202,808 for the six months to February 28, 1975.

Earnings per 10p share are shown to have dropped from 5.39p to 4.68p. The interim dividend is being held at 1.5p net, absorbing £45,000.

For the full year to August 31, 1974, pre-tax profit was £618,429 and dividends totalled 4.02p. The company makes office furniture and expanded polystyrene.

	Half year 1974-75 £	1973-74 £
Turnover	1,366,225	1,423,505
Pre-tax profit	202,808	336,024
Tax	132,260	174,353
Net profit	140,548	161,660
Dividend	45,000	45,000

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below is based mainly on last year's timetable.

TO-DAY

Interims: Camford Engineering, Clifford and Snell, El Oro Mining and Exploration, The Exploration Company, Gloucester and Cheltenham Greyhounds, Greenall Whitley.

Finals: Ambrose Investment Trust, John Booth and Sons (Bolton), William Cook (Sheffield), Eva Industries, Ferguson Industrial, Fraser Ansbacher, Hawley-Goodall, Charles Hill of Bristol, Luis Gordon, Victoria Carpet.

FUTURE DATES

Interims—	
Allied Breweries	June 24
Cardiff Malting	June 1[illegible]
C.G.S.B.	June 1[illegible]
Elson and Robbins	June 13
International Computers	June 12
Finals—	
Anthony Carrimore	June 1[illegible]
British Tar Products	June 1[illegible]
Bucknall Trust	June 1[illegible]
Clover Dairies	June 1[illegible]
Dawson International	June 2[illegible]
Electronic Rentals	June 12
Evans of Leeds	June 24
Finance and Industrial Trust	June 2[illegible]
Goldrei (C. H.) Foucard	June 12
Hambros	June 1[illegible]
Lloyd (F. H.)	June 25
Mansfield Brewery	June 24
Petbow	June 11
Pullman (R. and J.)	June 11
Unerman	June 19

City of Dublin Bank

For the six months to March 31, 1975, taxable profits of City of Dublin Bank slipped from £119,000 to £111,000. For all the year to September 30, 1974, profits were £245,000.

Earnings per 25p share are shown to be down from 1.13p to 1.02p per share. An unchanged interim dividend of 3½ per cent. has already been declared.

Cash balances at March 31 were £2,396,000 and deposits £7,226,000 giving liquidity of 33 per cent.

On April 25 the bank announced an offer for all the issued share capital of Irish Bank of Commerce.

	Six months 1974-75 £000	1973-74 £000
Income	[illegible]	[illegible]
Expenses	147	123
Interest	351	295
Profit before tax	111	119
Taxation	50	31
Net profit	61	[illegible]
Dividends	34	34
Retained	27	34
Cash	2,706	1,312
Government stock	24	37
Moneys lent	6,728	6,411
Current assets	9,[illegible]	7,960
Current liabilities	254	377
Net current assets	9,054	7,583
Other invests.	16	16
Fixed assets*	615	364
Total net assets	9,695	7,963
Depositors	7,226	5,612
Share capital and reserves	2,469	2,351

* Including premium on acquisition £275,000.

Medical Life Assurance

The financial position of the Medical Sickness Annuity and Life Assurance Society remains extremely strong, despite the rise in costs and the fall in stock market values the chairman, Dr. Thomas Hunt said at the annual meeting.

Premium incomes for last year increased by more than £400,000 to £3.5m. Reversionary bonus rates were maintained on all with-profit policies, and payment of terminal bonuses has been resumed.

The Society is a mutual life company transacting all types of life, sickness and accident insurance, but only for members of the medical and dental professions. Last year a record number of 2,297 members joined the Society, bringing total membership to nearly 35,000.

Jessups midway upsurge

MOTO RENGINEERS and dealers Jessups (Holdings) is looking for a current year profit in excess of the £173,000 achieved in 1973-74.

In the first half (to February 28) profit has almost trebled to £90,500, after higher interest charges, and represents a full recovery to the 1973 level.

However, the second half may not be as profitable as the comparable period last year; in view of this the gross interim dividend is being maintained, equal to 0.59p (0.402p) net per 10p share; total for 1973-74 was 1.187p.

The group's retail volume of new cars has fallen but it has recorded excellent results from the fleet, commercial and leasing operations. Diversification over the last three years in Ford, Datsun and Renault franchises has also materially assisted profit growth.

On March 1 a new subsidiary was incorporated to acquire the trading assets of the Vauxhall and Bedford main dealer in Southend. A number of short term problems are being resolved and in the long term the new subsidiary will contribute favourably to the group figures.

	First half 1975 £	1974 £
Sales and Services	4,750,000	4,225,[illegible]
Trading profit	194,400	137,[illegible]
Bank and loan interest	104,300	[illegible]
Vehicles medm. hire	56,083	22,[illegible]
General funding	53,022	[illegible]
Long mortgages	[illegible]	[illegible]
Profit before tax	90,509	33,356
Taxation	47,[illegible]	17,[illegible]
Net profit	42,[illegible]	14,[illegible]
Interim dividend	15,[illegible]	15,[illegible]

Jeavons second half downturn

TAXABLE PROFITS of civil engineering contractors, etc., E. E. Jeavons and Co. contracted from £607,354 to £170,023 in the year to March 31, 1975, after a rise from £218,000 to £263,000 in the first half.

Full year earnings are shown to be down from 10.2p to 8.1p per 25p share. The dividend is lifted from 2.246p to 2.44p net with a final of 1.69p.

Turnover rose from £4.23m. to £4.69m. The tax charge was £225,816 (£302,679).

WATERFORD GLASS

The Investment Bank of Ireland announces that the provisional entitlement to 10 per cent. Convertible Cumulative Redeemable Preference shares in Waterford Glass allotted in respect of 50.1 per cent. of the issued Ordinary capital (being *mainly* holdings attributable to directors and their associates where not retained by them) has been placed with institutional investors.

COMPANY NEWS IN BRIEF

ANGLO SCOTTISH INVESTMENT TRUST—Interim dividend 0.6125p (same). Gross revenue half-year to March 31, 1975, £616,298 (£683,447). Net revenue before tax £272,208 (£261,270). Taxation £96,704 (£50,259). Net revenue £175,504 (£181,011). Interim dividend £174,724 (£173,608). Earnings per 25p Ordinary share (1974 adjusted for conversions) 0.61p (0.635p). Total assets at March 31, 1975, less current liabilities, at market value, including full dollar premium of 72½ per cent. (47 per cent.) where applicable £15.26m. (September 30, 1974, £17,505,104). Net asset value per 25p Ordinary and "B" share after deducting prior charges at par 42p (32p). The Multi-Currency Loan of $U.S.12.9m. was reduced to $U.S.6.5m. in December, 1974.

BELGRAVE (BLACKHEATH) (forgers, machinists, nut and bolt manufacturers) —Results year to January 31, 1975 already known. Group turnover £2.9m. (£2.17m.). Fixed assets £1.36m. (£1.41m.). Net assets £2.38m. (£2.15m.). Order books generally remain at reasonable levels, says chairman. Meeting, Birmingham, July 1, at 12.15 p.m.

CANADIAN AND FOREIGN INVESTMENT TRUST.—Results for year to March 31, 1975 already reported. Percentage distribution of portfolio of £7.52m. (£9.47m.) show equities as follows: Capital goods 11.3 (same), consumer goods 30.4 (27.6), other groups 11.7 (12.9), financial 15.6 (25.9), commodities 3.6 (2.7), fixed interest 9 (6.3), cash on deposit 14.1 (12.3). Current assets £100,157 (£351,477). Chairman says he is confident directors will at least maintain proposed gross dividend of 3.6561p. Meeting, 9 Bishopsgate, EC, on June 23 at 11.30 a.m.

CENTRAL LINE SECURITIES (subsidiary of Lonrho) — After tax £27,392 (£17,093) group net profit year to Sept. 30, 1974 £10,158 (£7,025) transferred to reserves. Assets employed £1.45m. (£1.44m.). Net current assets £0.38m. (£0.43m.). Meeting, Saddlers' Hall, Gutter Lane, E.C., June 26 at 2.30 p.m.

GLENMURRAY INVESTMENT TRUST —Revenue six months April 30, 1975 £74,344 (£59,302) less tax £35,604 (£27,081), available £38,740 (£32,294), interim dividend, already known 0.6p (0.525p) net £29,783 (£26,006). Net assets £4.27m. (£2.9m. at Oct. 31, 1974), including full dollar premium £1.17m. (£0.63m.). Net asset value per 25p share 69.4p (47.4p).

FIVE OAKS INVESTMENTS—Turnover, six months to December 31, 1974, £518,969 (£500,291). Group trading profit £39,870 (£41,922) and net rental income £28,631 (£33,194) making profit £68,501 (£75,116). Chairman predicts, in present circumstances, profits for year comparable with those of last year.

KEYSTONE INVESTMENT CO.—Interim dividend 1.25p (same). Gross income six months to April 30, 1975, £264,422 (£237,104). Pre-tax revenue £221,029 (£180,355), less tax £77,531 (£56,956) leaving £143,498 (£123,509). Net asset value per 30p share 123p (113p).

LOWER PERAK TIN DREDGING BERHAD—Interim dividend 20 cents in respect of year ended April 30, 1975, payable July 11. Board does not propose to recommend another dividend in respect of the year.

SPENCER, TURNER AND BOLDERO (textile, footwear and general wholesalers).—Results for year to January 19, 1975 reported May 10. Fixed assets £471,895 (£456,907), net current assets £1.2m. (£960,472). Ultimate holding company is Anglo-African Finance, which held 65.7 per cent. of voting capital at January 19, 1975. Chairman says that turnover so far this year slightly lower than last but main trading period in second half. Meeting, Abercorn Rooms, EC, on June 25 at 11.45 a.m.

ARTHUR WOOD AND SON (LONGPORT) (earthenware manufacturers) — Results 1974 reported May 14. Group fixed assets £217,323 (£203,069). Current assets £591,686 (£498,506), liabilities £245,733 (£200,782). Companies are reasonably placed for orders and sales for first four months of 1975 are up 46 per cent. But there are worrying signs, particularly overseas, of growing resistance to increases in prices, says chairman. Meeting, Stoke-on-Trent, June 18, noon.

Walker Sons now trading profitably

General engineers Walker Sons and Co. has suffered a heavier loss of £36,440 in the half year ended March 31, 1974, but there has since been a recovery.

Preliminary accounts disclose a reduced loss for the full year, and management figures for the first five months of 1974-75 indicate a material improvement and return to profitability.

In the year 1972-73, the last published accounts, there was a profit of £36,000.

The directors propose to change the name to Walker Sons and Co. (U.K.).

Ciro profit halved to £46,000

The second half of 1974 has given rise to a loss of £8,639 for Ciro Holdings, retail and wholesale jewellers.

After the first half upsurge, this pulls back the year's profit from £94,118 to £46,365.

For the fourth successive year there is no Ordinary dividend. After the Preference payment, earnings are given as 0.53p (1.24p) before tax, 0.02p (0.61p) after tax, and 0.14p (0.58p) inclusive of extraordinary items.

	1974 £	1973 £
Turnover	2,710,677	2,212,399
Profit before tax	46,365	94,118
Taxation	*34,396	42,239
Net profit	11,969	51,879
Extraord. credits	6,177	†2,279
Preference dividend	10,500	11,250

* Of which foreign £31,538 (£34,729).
† Debits.

R. Farnworth setback

A downturn in the second half, from £51,427 to £17,903, has reduced pre-tax profits of Robert Farnworth, manufacturers of warp knitted fabrics, from £103,888 to £68,084 for the year ended March 29, 1975.

New rates of depreciation result in an increase in the amount charged against profit for the current year only, of some £7,500, the directors state.

Stated earnings per 10p share are cut from 2.8p to 1.1p and the dividend is down from 0.75p to 0.35p net. No final payment is being made.

	1974-75 £	1973-74 £
Turnover	1,769,311	1,659,612
Profit	66,084	103,888
Tax	34,596	31,500
Net profit	31,488	72,388
Dividends	11,255	21,061

Furness Withy profits should hold up well

[CU]RRENT-YEAR profits of ship[ping], insurance and engineer[ing] group Furness Withy are ex[pe]cted to hold up well, says the [ch]airman Lord Beeching.

In 1974 the group had out[sta]ndingly good trading experi[en]ce: this not only continued [ri]ght up to the end of the year [bu]t also into the early months of [19]75.

He does feel that in 1975 difficul[tie]s are likely to increase and be[co]me more widespread in the [in]dustry. "In particular, it is [al]ready apparent that we shall [no]t enjoy the same world-wide [fr]eedom from industrial disputes in 1974."

But the pattern of shipping [ac]tivities will continue to confer [be]nefit this year. Although the [gr]oup is not free from all the [un]certainties which affect ship[pi]ng "we are not exposed in [th]ose areas which are experienc[in]g most difficulty at present," [Lo]rd Beeching states.

Despite the troubled state of [th]e world economy in 1974, and [its] repercussions on some forms [of] shipping, group pre-tax profit [ro]se from £13.87m. to £24.72m. on [tu]rnover of £142.6m. (£115.8m.), as [re]ported on May 13.

Major changes contributing to [th]e advance was the near-doubling [of] trading profit, a £1.2m. increase [in] investment income, and £2.3m. [ri]se in the associates' share — *of* [wh]ich some £1.2m. was a special [no]n-recurring amount, substanti[al]ly relating to past years.

The dividend is 6.121p (5.6268p). [Th]is is covered about 7.5 times, [sa]ys Lord Beeching, and in the [li]ght of results achieved and the [ex]pectations for the future it [w]ould have been at least doubled [bu]t for legislation.

At the end of 1974, investments [w]ere in the books at £24.52m. [(£]21.27m.). Although market [va]lue showed a marked deteriora[ti]on on 1973 the effect was [cu]shioned to some extent by the [pr]*oportion of liquid funds de*[po]sited in the money market, on [wh]ich high interest was earned.

Agreement has now been [re]ached about a new pension [sc]heme which conforms with [mo]dern standards and require[m]ents; the ultimate cost cannot *be assessed with certainty but it* is bound to be substantial.

To meet that part of the cost arising from past service, provision has been made to permit the injection of £4.5m. into the scheme over the next three years, and the company's future annual contributions will be raised by an additional 4½ per cent. of gross salaries. *The provision of £0.5m. in 1973 and the £2m. charged in* extraordinary items this year together with the associated tax savings should adequately cover this cash injection.

At the end of the year, outstanding capital expenditure contracted for totalled £60.42m. (£34.51m.) and there were £8.86m. authorisations. British Government Securities, short deposits and cash came to £22.89m. (£24.5m.) and overdrafts stood at £3.78m. (£4.61m.).

Barclays Nominees (Lombard Street) including designated accounts, is the registered holder of £5.15m. FW Ordinary stock—some 19 per cent.

Meeting, 105, Fenchurch Street, E.C., July 3, at noon. Lord Beeching will be retiring then for health reasons and will be succeeded to the chairmanship by Sir James Steel.

Chairman's Statement Page 21

See Lex

Low tax helps New Throgmorton

In the year to March 31, 1975, revenue of New Throgmorton Trust dropped from £1,253,726 to £1,020,396 before "abnormally low" tax of £366,229 compared with £395,875.

Earnings are shown to be down from 1.681p to 1.672p per 25p share. *The dividend total is* 1.65625p net, against 1.79375p, the final payment being 0.8125p. Total cost of dividends is £648,170 (£701,980).

The directors say the low tax charge arises from the writing back of certain ACT provisions from prior years. Accordingly, revenue available for distribution is greater than was expected.

Advance at Buckley's Brewery

In the year ended March 29, 1975, profits of Llanelli-based Buckley's Brewery advanced from £478,440 to £551,645, before tax of £244,108 compared with £195,655. For the first six months profits had risen from £259,157 to £279,975.

The final dividend is 0.64p per 25p share, *lifting the total from* 0.8422p to 0.915p net.

Trading profit for the year improved to £500,022 from £475,658 previously.

Staflex in Brazil

Staflex International, one of the world's largest manufacturers of interlinings for the clothing industry, is setting up its seventh overseas manufacturing operation in Sao Paulo, Brazil.

In a joint venture with S.A. Industrias Reunidas F. Matarazzo, Staflex is paying about £80,000 to acquire a 30 per cent. stake in a new company to make interlinings. Staflex machinery will be installed, and Staflex employees will help to train Brazilian staff.

The interlining market in Brazil is worth about £15m. a year and the new venture means that Staflex is now represented in some 50 countries.

James Neill drive to keep up deliveries

Production of James Neill Holdings, Sheffield-based hand tool engineering group had increased in the first five months of 1975 but administrative problems have caused sales to be lower than they would otherwise have been, Mr. J. Hugh Neill, chairman, said yesterday.

It was unlikely that all the lost ground would be recovered by the end of *June and as a result, profits* for the first half would not be much higher than those for the corresponding period of 1974, he added.

Speaking at the annual meeting, Mr. Neill stated that orders still unexecuted would be carried forward and he anticipated that sales and profits in the second half would depend mainly on *future order intake—and, in the* present climate of political and economic uncertainty, this was difficult to forecast.

He pointed out that it was mainly the accompanying destocking at both consumer and distributor level, which adversely affected order intake. "This is one important reason why we intend to get into and remain in the situation in which we can give good delivery to our customers. No distributor is likely to become overstocked with products which he can rely upon to be readily available—and cyclical fluctuations in our order intake would then be minimal," Mr. Neill told members.

At home, the de-stocking process had taken place over the past six months, resulting in a reduced order intake. This process was now largely complete, and a steady improvement could be expected, Mr. Neill told members.

Increased production and a lower level of *order intake meant* the group could offer good delivery on an increasing number of products—at present goods accounting for about 60 per cent. of total sales. This, with the marketing strength provided by the wide product range, should enable the group to obtain a larger market share, Mr. Neill declared.

Neill also reported yesterday that it had acquired Atlantic Saw Manufacturing, of Milford, Connecticut, for an undisclosed price which, however, was said to be not significant in relation to assets.

Setback at Triefus—scrip issue

AFTER AN *improvement from* £184,806 to £164,958 in the first six months, second half taxable profits of Triefus and Co. dropped from £401,867 to £229,679, leaving the total for 1974 down from £586,673 to £394,637.

The net dividend is effectively raised from 2.356632p to 2.572p and a 3-for-13 scrip issue is proposed.

Tax for the year takes £210,100 (£280,809). The company markets, processes and values diamonds.

Hield Bros. in strong position

Mr. R. H. Hield, chairman of worsted cloth manufacturers, spinners, dyers, etc., Hield Brothers, says in his annual statement that the group is in a strong position to take advantage of any up-turn in world trade and at present is striving to expand exports even further.

Mr. Hield regards the future with "very mixed feelings." Towards the end of the year under review the flow of orders improved and this trend continues, he tells members. But textile margins are under pressure and the industry's competitive position in world-wide markets will be eroded "if the rate of inflation within the U.K. is not controlled," he warns.

As reported on May 16, taxable *profits for the year to April 6, 1975* were £694,640 against £667,489 after £381,000 (£290,000) for the first half. The dividend is the maximum permitted 0.745p (0.683p) net.

During the year there was a further increase of some £275,000 in stock in line wit turnover—up from £6.75m. to £7.61m. Extended facilities were agreed with bankers and £500,000 of short-term borrowing converted into a loan repayable over five years. Subsequently, tax liabilities due January 1, 1975 of £350,000 were *deferred by the 1975 Finance Act,* and as a result of these and other adjustments liquid funds increased by £810,000.

The group has made further *purchases of land adjacent to* Briggella Mills. A year ago the directors were preparing detailed plans for its development and they hoped by the end of the year to be in a position to report in *greater detail about the project.* In view of the current recession this scheme has been deferred.

The value of goods directly exported by the company was £4.83m. compared with £4.28m., in 1973-74, distributed as follows: Europe £1.09m. (£1.09m.), Western Asia £1.78m. (£1.32m.), Pacific Basin £1.19m. (£1m.), others £0.78m. (£0.85m.).

At April 6, 1975 Illingworth Morris and Co. and Mr. I. Ostrer were interested in 3,279,500 Ordinary units—21.58 per cent. Meeting, Bradford on June 30 at noon.

TAN SAD CHAIR

Tan-Sad Chair (1931), which makes office chairs and furniture, and is a wholly-owned subsidiary of Averys, said yesterday it had no connection with Tan-Sad Holdings, whose share quotation was suspended on Wednesday after the appointment of a receiver to its Tan-Sad Allwin subsidiary. The latter concern is a manufacturer of prams and toys.

ISSUE NEWS

TARMAC-89%

Tarmac announces that, under the offer by way of rights to Ordinary holders of 8,785,811 new shares at 125p, acceptances have been received in respect of 7,861,593 (89.48 per cent.). The remaining 924,218 have been sold in the market and surplus proceeds will be distributed to non-accepting shareholders as soon as practicable.

SIMON ENGINEERING

Simon Engineering announces that, in connection with the recent rights issue 3,721,414 shares (91 per cent.) provisionally allotted were accepted. The balance has been sold for the benefit of entitled holders.

RICHARDS & WALLINGTON

In respect of the rights issue by Richards and Wallington Industries *2,221,851 shares (96.2 per cent.* of the total) have been taken up. Those shares not taken up have been sold at a premium and the net proceeds will be distributed to Ordinary holders entitled.

CLIVE DISCOUNT

Application lists for the offer for sale of 10.63m. Ordinary 20p shares at 48p per share in Clive *Discount* closed oversubscribed.

BICC

British Insulated Callender's Cables announces that final conversions made as at May 31 in respect of the 6¼ per cent. convertible unsecured Loan stock 1988-93 bring the total stock converted to approximately 98 per cent. of the original issue of £10,553,475. *The company has* decided to exercise compulsory conversion rights in respect of the remainder of the stock.

The outstanding stock will be converted into Ordinary 50p shares as at July 31 on the basis of £1 nominal of Ordinary capital for every £3.485 *nominal* of stock, unless stockholders elect to have their stock repaid at par. A formal conversion notice setting out the full terms, will be sent to stockholders in due course.

LONSDALE UNIVERSAL

Lonsdale Universal announces that holders of £5,756 8 per cent Convertible Unsecured Loan Stock 1982 have exercised their option to convert into 9,531 Ordinary shares during April 1975. The stock remaining outstanding is now £172,811. As a result the issued Ordinary capital is increased to £1,480,395.

BRITTAINS

The Stock Exchange has granted a listing for 5,871 Ordinary shares of 25p of Brittains which have been issued credited fully paid to holders of £790 nominal of 7½ per cent. Convertible Unsecured Loan stock 1979-81, and £2,205 nominal of 10½ per cent. Convertible debenture stock 1991-96, who exercised conversion rights on May 20.

CHARTER TRUST

Charter Trust and Agency announces that as a result of the conversion settlement on June 2 1975, £14,357 of 4½ per cent Convertible Unsecured Loan Stock 1990/95 from a total amount in issue of £2,303,500 has been lodged for conversion into 22,971 Ordinary Stock units of 25p.

Ordinary stock certificates and fractional entitlements arising *from the conversion will be* posted to holders on June 27.

Deterioration in debt position at CFP

BY RUPERT CORNWELL

PARIS, June 5.

IN SPITE of a rise of some 70 per cent. in net income last year, France's largest oil concern, the Compagnie Francaise des Petroles (Total) group, to-day reported a sharp deterioration in its overall debt position in 1974—thanks to the failure of domestic oil product increases to keep pace with the rising cost of crude.

Group net earnings last year reached Frs.1.75bn. compared with Frs.1.1bn. in 1973, of which CFP's share represented Frs.1.4bn. (Frs.890m.). Cash flow rose by 54 per cent. to Frs.4.1bn. from Frs.2.6bn. However, as the group was quick to point out to-day, these apparently healthy figures mask disturbing trends.

The method of inventory evaluation ("FIFO" or first in first out) coupled with changes last year in product selling prices led to increases in both cash flow and net income of Frs.1.65bn. and Frs.1.2bn. respectively at group level. In the meantime the climb in the value of stocks between December 1973 and December 1974 was Frs.3bn.

The implication, as CFP emphasised, is that the legal and operational obligation to renew stocks at the new higher cash price of crude not only absorbed overall profit but forced the group to resort to credit more extensively for its internal financing programme.

Last year total financing requirements came to Frs.7.1bn. of which only 53 per cent.—or Frs.3.8bn.—could be covered from CFP's own resources. The remainder had to be met at the cost of worsening its aggregate debt position.

In fact the difficulties of CFP are those of the entire French-based oil industry. Like the domestic subsidiaries of both BP and Exxon, it argues that only increases on the authorised French market prices of refined petroleum products can improve its situation.

The decision earlier this week by the French Finance Ministry to cut certain product prices by between 2 and 7 per cent. has thus been received with predictable frostiness by the companies.

Against this background the staggering jumps in other areas of the balance sheet lose much of their relevance. Thanks to the success of OPEC in raising oil prices, turnover leapt by 138 per cent. to Frs.42.8bn. (£4.4bn), making CFP by far and away the largest French company in terms of sales. But investments rose only from Frs.2.5bn. to Frs.4.1bn., and this largely reflects acquisitions of new companies during 1974, most notably the Hutchinson-Mapa rubber group.

Thomson-CSF signs Northern Electric deal

BY CHRISTOPHER LORENZ

A NEW competitor emerged yesterday on the French and world market for telephone exchanges, when Thomson-CSF—part of the French Thomson-Brandt group—announced that its licensing deal with Canada's Northern Electric has now been signed.

The agreement gives Thomson a licence to make the Canadian SP 1, computer-controlled exchange, in France and distribute it throughout the world, except in North America and Japan. Since the world market for analogue, SPC exchanges are growing rapidly, Thomson could become a significant force outside France, though competition from ITT, Ericsson, Siemens, GTE and the Japanese is strong.

One factor is that ITT is not considered by some members of the French Government to be an indigenous company, in spite of its leading position on the French market, and since CIT-Alcatel does not have an analogue, SPC system to offer, Thomson could receive official export backing.

The prime purpose of the deal is to give Thomson entry to the lucrative French market for public telecommunications equipment, which has just been given a Frs.4.2bn. boost by a two-year supplementary "reflation" budget. As reported on May 29, Thomson says it was actively encouraged by the French Government in Northern Electric's direction.

The French Government has decided to liberalise the public telecommunications market, and has declared its intention of allowing foreign companies to supply for the first time. But it is significant that the SP 1 deal is a licensing agreement, making Thomson the supplier to the Post Office, whereas its new pact with Northern on exchanges for the private market goes further, giving Northern a substantial minority holding in a joint operation.

The new agreement also gives Thomson access to Northern's distribution system for its products in North America.

New credit lines for EGAM

By Tony Robinson

ROME, June 5.

THE ECONOMIC and financial situation at EGAM, the state holding company for mining and metallurgical activities, has suffered considerably from the four months of virtual paralysis which have resulted from the political investigation into EGAM's purchase of a one-third stake in the Genoa shipping insurance and newspaper group Villain e Fassio. The financial situation has also been affected by the refusal of Treasury Minister Emilio Colombo to pay out the Lire30bn. 1974 instalment of EGAM's capital endowment fund until this and other questions concerning EGAM are cleared up. Cash flow has also been affected by the general recession which has particularly hard hit the sectors in which EGAM is active.

Under these circumstances Sig. Antonio Bisaglia, Minister of State Shareholdings, has announced the Government's willingness for EGAM to open new credit lines with the banks believed to be equivalent to the L30bn. of the capital endowment. At the same time, however, the State Shareholdings Ministry confirmed unofficially that Minister Bisaglia had asked EGAM chairman Mario Einaudi to resign. This has since been denied by Sig. Einaudi and an EGAM spokesman added that he has no intention of offering his resignation, either.

According to political sources Sig. Bisaglia wants Sig. Einaudi to resign but, after contacts with his own Christian Democrat Party, he found willingness to sack Sig. Einaudi linked to a refusal to accept another man linked to the Doroteo faction of the CD party in his place.

In this way it looks as though inability to agree on a successor to Sig. Einaudi is the major obstacle to that shakeout at the top of EGAM which was demanded following a Parliamentary inquiry last month. This examined the results of an independent audit of Villain e Fassio and found that EGAM had paid above the market prices and asset value for a 33 per cent. stake. The audit conceded however that the price was close to market levels taking into account of option to take a majority stake. However both the pre-payment by EGAM of the majority stake and the fact that this stake was arranged without prior official approval from the State Shareholdings Ministry as required by law reinforced political demands for the removal of Sig. Einaudi. The EGAM affair has become a symbol of party political distortions—to the operations of state-controlled industries in Italy.

Venezuela may modify oil nationalisation plans

BY HUGH O'SHAUGHNESSY

VENEZUELA may modify its cash demands on the foreign oil companies which are about to be nationalised. The companies are committed to deposit 10 per cent. of their gross investment in Venezuela in a guarantee fund on which the Government can draw if it considers the assets the companies return to it are not in a due state of order.

Under the terms of the oil reversion bill as it stands, the companies were virtually obliged to lodge a cash guarantee which in the case of the Compania Shell de Venezuela, the second largest foreign operator in the country after Creole, the Exxon subsidiary, meant an outlay of some £75m.

Under an amendment to the bill suggested by the mining commission of the Chamber of Deputies the companies are given an additional 30 days to deposit their guarantee. In addition the companies would be allowed to use for their deposit the Government bonds that they are to receive as compensation for their liquidated holdings.

A further suggested modification to the oil reversion bill is that approval would be given to the establishment of joint ventures between the new government oil companies and private concerns and the signature of contracts with private companies aimed at exploiting and selling the country's heavy crudes, including those in the Orinoco Tar Belt. Also approved would be the establishment of multinational companies with Venezuelan participation.

The mining commission stipulates that agreements with private concerns should have a duration of no more than 15 years, that in no case should the government be in a minority position and that all such agreements should receive congressional approval.

The suggested amendments which are about to be debated in Congress fix much clearer boundaries between the territories allotted to the private and public sector.

Meanwhile Creole has signed a revolving credit agreement with four U.S. banks for up to $200m. secured on sales of crude oil and petroleum products. The cash would be used for "various operating cash requirements" in Venezuela.

Joseph Mann adds from Caracas: The Government's foreign investment supervisor said to-day that Venezuela is studying some 300 applications from foreign companies or individuals who want to do business in Venezuela despite the country's strict application of Andean Pact controls on this type of investment.

Rafael Soto Alvarez, Venezuela's Superintendent of Foreign Investments, said that the number of companies interested in investing here indicates that Andean pact regulations have not put Venezuela out of the market for foreign investors, as has been predicted in the Press.

Soto Alvarez did not give any details as to the amount investors wanted to place in Venezuela, nor did he supply any hints as to where the investors came from or what types of businesses they intended to start here.

Jamaica raises $38m.

FINANCIAL TIMES REPORTER

A $38m. five-year loan has been arrandged for the Government of Jamaica under the lead management of First Chicago Merchant Bank (Jamaica). Other managers to the loan are Citicorp International Bank, Royal Bank of Canada, Banco Real, and Popular Espanol.

The funds have been provided by a syndicate of 20 international banks and the terms of the loan will be five years. The loan will be used for capital expenditures in agricultural and forestry development, expansion of international airports, construction and improvement of arterial and secondary roads, domestic water supplies and other public works. This financing will complement other funds provided by the World Bank, AID, and the Inter American Development Bank.

*

The **Long-Term Credit Bank of Japan**, the second largest of the country's long-term credit banks, is issuing $25m. of five-year notes. The notes are expected to carry a coupon of 9 per cent., with the price to be fixed according to market conditions.

*

Nippon Telegraph and Telephone's DM100m. 8.25 per cent. seven-year loan was priced at 99 per cent., Deutsche Bank AG said as lead manager.

*

Comalco's DM50m. 9½ per cent. seven-year private placement at par, was fully placed, Deutsche Bank said.
Reuter

Roche case pursued by Commission

BRUSSELS, June 5.

SWISS Government officials were told by the EEC Commission to-day that certain facts suggested that the Swiss pharmaceutical group Hoffman-La Roche may be guilty of breaking EEC competition rules in the vitamins market.

The Commission handed Swiss representatives a written statement to this effect during a one-day meeting of the joint committee established under the free trade agreement between the Community and Switzerland, a Commission official said.

Officials stressed that the Commission's investigation of certain practices of Hoffman-La Roche and its subsidiaries in the vitamins market were not complete and indicated that the Commission might seek co-operation of the Swiss authorities in pursuing the case.

Commission experts argue that a company headquarters outside the Community and maintaining subsidiaries in the Community must be responsible for any violation of EEC competition rules.

In its paper handed to the Swiss the Commission emphasised that the trade agreement explicitly stipulates that Swiss companies must adhere to EEC competition regulations in dealing with the Community.

The Swiss told the Commission that they would reply to the paper after studying it.

Without going into details of the case, commission sources said that Hoffman-La Roche's entire line of vitamin products was the subject of EEC investigation.

The Commission's case against the company is based on information obtained by EEC authorities in Brussels from a former Hoffman-La Roche employee alleged by the Swiss to have communicated secret economic information to the Commission.
AP-DJ

Metallgesellschaft sales drop

BY GUY HAWTIN

FRANKFURT, June 5.

METALLGESELLSCHAFT, the metals, engineering and transport concern, has reported an 8.9 per cent. decline in turnover during the first half of 1974/75. Shareholders have been told in a circular that group turnover, which reached DM2.96bn. in the first six months of 1973/74, had fallen to just under DM2.7bn. in the same period of the current business year.

The fall-off was registered entirely in the domestic turnover of the Frankfurt-based group. Overseas sales showed an increase. Domestic turnover at DM1.8bn. was 14.9 per cent. off compared with the more than DM2.1bn. recorded in the first half of 1973/74 while overseas turnover totalled DM906m., 5.8 per cent. up on the DM856m. reported in the same period of the previous year.

Shareholders are told that performance in various divisions varied widely. For instance, in both volume and price terms, it was a full 21 per cent. off in the metal business sector, compared with a heavy 22 per cent. growth in the plant construction area.

Naturally, for Metallgesellschaft, the declines are the virtually unavoidable consequences of the poor economic situation and falling metal prices. In D-mark terms the prices of the various metals in which the concern is interested declined by between 20 and 60 per cent. on the London Metal Exchange. There were also falls in the prices of chemicals, chemical raw materials and aluminium.

Over the past 12 months, the group's workforce has been trimmed from 28,414 at the end of April, 1974, to 27,468 by the same date this year. But despite this, there has been a 5.3 per cent. increase in personnel costs from DM422m. to DM445m.

The order situation in most of the groups divisions had been affected by the recession in the Federal Republic and the weak world market situation. Particularly hit are metal processing sectors and the chemical production sectors. Orders, however, in the plant construction sector were developing well, particularly in overseas markets.

As far as earnings were concerned, these had, of course, been hit by the poor economic situation said the circular. Capacity was underutilised in metals production, processing and chemicals. There had been particularly heavy losses in the Aluminium sector. There was still no sign of an upswing in sight and, despite the healthy development in the plant construction sector, and transport there was no prospect of equalling 1973/74's results.

Robeco portfolio changes

BY MICHAEL VAN OS

AMSTERDAM, June 5.

ROBECO, the big Dutch-based investment fund, said in its first interim report that its net asset value per share had increased to Fls 173 from Fls.141 in the period January 1, 1975-May 1, 1975. The period had been characterised by investors' increasing confidence in an economic recovery and the renewed interest in shares was partly the result of less attractive interest rates for bonds.

The report said that the net asset value per share increase represented a rise of over 28 per cent., taking the 3½ per cent. stock dividend into account. The recovery had amounted to more than 35 per cent. since the low of last October.

In its report, published in Rotterdam to-day, Europe's leading fund added that due to the continued demand for the Robeco shares, the issued share capital rose by more than 750,000 shares — including 350,000 shares resulting from the stock dividend—in the first four months of this year. On May 1, the fund's total net assets exceeded Fls.3.6bn. (Fls.2.77bn., December 31, 1974).

Robeco said that, in anticipation of share price rises, it was almost fully invested at the start of the year, a policy that had largely been continued in the first interim period.

Interest in the U.S. declined somewhat as a result of the depreciation of the dollar in terms of the Dutch Guilder. However, the currency risk of this portfolio had been covered by forward exchange transactions to an amount of more than Fls.700m.

Of the favourable outcome of the transactions, amounting to Fls.69m., over Fls.45m. was invested in the U.S. and Canada. At the time of writing the report, forward exchange transactions were no longer taking place.

Robeco said that a limited number of changes had taken place in its European holdings. In this area, basically as in the U.S., there had been a decline of economic activity, rising unemployment and falling interest rates—but also the expectation that the recession will soon be at its lowest point as a result of the stimulating measures taken by the various governments.

In Germany, the fund had sold long-term bonds—these had been purchased as a hedge against the unfavourable economic tide—and the proceeds were invested in a number of strong German companies, including Banks. Robeco had invested in a number of Dutch companies with attractive prospects to take advantage of the low price levels here. There had been some switches in France.

Turning to its British activities, Robeco said in its interim report that British investors—who generally had large sums of cash available—had realised that they were "fenced in" in Britain unless they were prepared to pay the very high dollar premium. As investing in bonds does not offer protection in times of severe inflation, Robeco added, there was a rush on the stock market. "The ensuing price rises," the company added, "enabled us significantly to reduce our British holdings, having switched to a limited degree our interests to companies achieving their profits mainly outside Britain."

Receivership for ICB

By David Egli

GENEVA, June 5.

THE INTERNATIONAL credit bank, founded by Dr. Tibor Rosenbaum, has been placed in receivership pending acceptance by creditors of a forced liquidation plan under which the small clients of the bank would receive full repayment.

The move was made by a Geneva court this week, following the revocation of the payments moratorium granted last October on the assumption that the bank's assets covered its liabilities. A subsequent audit by Deloitte, Haskins and Sells, the court-appointed commissioners, showed that, in fact, the liabilities far exceeded the assets.

The Commissioner Receiver is now given six additional months in which to prepare a liquidation plan. As envisaged so far this will involve the payment of up to Sw.Fr.5,000 to all creditors plus an immediate payment of at least 12 per cent. of the remaining outstanding debts of the bank. Ultimately it is hoped that the larger creditors will be repaid in amounts of up to 45 per cent. of their outstanding credits.

Unexpected losses for NBM

BY MICHAEL VAN OS

AMSTERDAM, June 5.

Major unexpected losses at two subsidiaries of United NBM, the Dutch building group, have meant that it has merely broken even last year after a net profit of Fls. 6.4m. in the previous year. It has been proposed to pass the dividend.

The company said in the annual report that in view of the special nature of the losses and the measures taken to deal with them, the losses had been kept outside the profit and loss account. Excluding the total loss of nearly Fls.34.9m., the profit would have been more than halved to nearly Fls.3m. last year as a result of the pressure on margins following reduced activity in the building market, while interest levels had substantially exceeded previous years' levels. Another disadvantageous factor was the extremely adverse weather situation in the latter half of last year. The report said that nearly Fls.16.9m. had been charged to the reserves (these shrank to Fls.26.4m. from Fls.41.3m.

The Rijswijk-based company said that turnover had advanced sharply by 34 per cent. to Fls.649m. in 1974 but that the increase was largely attributable to acquisitions. Ex-acquisitions turnover in value rose by 6 per cent., implying that the original group had not recorded a volume sales increase. Foreign sales, mainly from activities in Germany, amounted to Fls.52m.

The subsidiaries Ven Installatiebedrijven and Arnhem-Zuid suffered losses totalling more than Fls.27m. and Fls.7m., respectively, which took account of any future losses. The loss at the latter company, which has meanwhile gone into liquidation, resulted from the bankruptcy of a German client. The losses at Ven, where reorganisation already carried out cut staff by a hundred, were attributable to inadequate management and accounting control.

NBM directors told a press conference on the publication of the annual report here that measures had been taken to tighten accounting control of the subsidiaries while it had additionally attracted more economists to its staff.

Looking ahead, NBM—a quoted company—said in the report that it regarded the longer term future with confidence—it was hopeful of achieving a positive result this year—although much would depend on building industry developments. A very important factor here was the possible effects of the measures taken by the government to stimulate the building industry which had not yet been felt in the year under review.

Svenska Tobaks upturn

By John Walker

STOCKHOLM, June 5

SVENSKA TOBAKS, the Swedish state-owned tobacco company, forecasts that the pre-tax profit for the whole of this year will be about Kr.190m. (£21m.), an increase of Kr.55m. over the 1974 figure. Group sales during the first four months of this year rose by 31 per cent. to Kr.240m. (£27m.) and the pre-tax profit increased by Kr.20m. to Kr.62m. in the same period.

The result for this year is mainly due to the considerable profit on stocks and increased overseas sales. Sales of the Dutch subsidiary company have increased by 30 per cent. and exports of pipe tobacco to the U.S. is up by 9 per cent., Svenska Tobaks says.

Kymmene: 'prospects for the future are not bright'

BY LANCE KEYWORTH

HELSINKI, June 4.

KYMIN OY-KYMMENE reports a "reasonably good" result for fiscal 1974 when the turnover of the parent company topped Fin.Mks.1bn. for the first time (approx. £123m. at present exchange rates).

Including subsidiaries, in which Kymmene has an interest of at least 50 per cent., the consolidated net sales total of the organisation was Fin.Mks.1.57bn. (approx. £194m.) an increase of 55 per cent. on 1973.

Kymmene notes that "prospects for the future are not bright," but is going ahead with its sizeable investment plans. Investment expenditure in 1974 totalled Fin. Mks.86.4m., against Fin.Mks. 39.2m. in 1973. Nearly one-half of the investment in the past fiscal year was in the paper division, the leading sector in terms of net sales.

The volume of production of paper and board increased by 2 per cent. to 558,702 tons, but the value jumped by 57 per cent. to Fin.Mks.721.7m. The company's 95 per cent. owned U.K. subsidiary, Star Paper, set new production records and increased the value of its sales by 49 per cent. to £26.7m.

The sawmill division had the same sorry story to report as the sawmilling industry in general, owing to the slump in the building industry in Western Europe. But the engineering group remained buoyant with a gross sales increase of 36 per cent. to Fin.Mks.179m. In percentage terms, the most spectacular success was achieved by the chemical division (chlorine, caustic soda, ethanol, industrial gases, petrochemical products). Here the sales increase on 1973 was 76 per cent. to Fin.Mks. 111m.

Kymmene raised its share capital in fiscal 1974 by Fin. Mks.50m. to Fin.Mks.197.6m. It paid a dividend of 10 per cent. The net earnings of the parent company after taxes and depreciation was Fin.Mks.17m.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	95½	96½
Ashland 8pc 1987	92	93
Australia 8½pc 1987	90½	91½
BFCE 9pc 1980	98½	99½
Borregaard 8½pc 1989	96	97
Carrier 8pc 1987	90	91
Conoco 8pc 1986	96	97
Consol. Foods 7½pc 1991	85½	86½
Cutler Hammer 8pc 1987	91½	92½
EIB 9¼pc 1985	101	102
Esso 8pc 1986 Nov.	97½	98½
General Cable 8½pc 1987	88½	89½
General Motors 8½pc 1986	101½	102½
GTE 8½pc 1986	97½	98½
ICI 7½pc 1992	85	86
Nat. Grindlays 7½pc 1987	78	79
Pacific Light 8pc 1988	91½	92½
Prov. of Quebec 7½pc 1988	89½	90½
Quebec Hydro 8½pc 1989	94½	95½
Queensland 8½pc 1987	89½	90½
Scanraff 8½pc 1988	94½	95½
Shell 8pc 1986	95½	96½
Stand. Oil (Inc.) 8½pc 1988	99	100
Tenneco 7½pc 1987	85½	86½
Transocean 8pc 1986	97	98
TRW 8pc 1986	95½	96½
Utah 8pc 1987	92½	93½
Volvo 8½pc 1985	99	100
NOTES		
Air France 9½pc 1982	101½	102½
Australia Ind. 10½pc 1981	103½	104½
Barclays 7½pc 1979	97	99
Cie Natl. Rhone 10pc 1982	103½	104½
Du Pont 7½pc 1978	101	102
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1978	100½	101½
Marubeni 9½pc 1982	101½	102½
Nippon Fudosan 10½pc 1981	103½	104½
Skandinaviska E. 10½pc '81	104	105
Tenneco 7½pc 1979	97	98
Tokyo Curacao 10½pc 1981	103½	104½

Source: White, Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	90	[illegible]
Ashland 5pc 1988	90	[illegible]
Beatrice Foods 4¼pc 1992	93	[illegible]
Beatrice Foods 4½pc 1992	103	[illegible]
Borden 5pc 1992	98	[illegible]
Broadway Hale 4¼pc 1987	74	[illegible]
Canon Camera 7½pc 1989	83	[illegible]
Carnation 4pc 1987	90	[illegible]
Chevron 5pc 1988	102	[illegible]
Dart 4pc 1987	91	[illegible]
Eastman Kodak 4½pc 1988	118	[illegible]
Economic Labs. 4¼pc 1987	81	[illegible]
Eidal 7½pc 1989	89	[illegible]
Ford 6pc 1986	81	[illegible]
Ford 5pc 1988	75	[illegible]
Fuji 6½pc 1985	106	[illegible]
General Electric 4¼pc 1987	85	[illegible]
Gillette 4¼pc 1987	82	[illegible]
Gould 5pc 1987	79	[illegible]
Halliburton 4¼pc 1987	129	[illegible]
Harris 5pc 1992	68	[illegible]
Hitachi 6½pc 1984	107	[illegible]
Honeywell 6pc 1986	78	[illegible]
ITT 4½pc 1987	68	[illegible]
Komatsu 6½pc 1984	161	[illegible]
J. Ray McDermott 4¾pc '87	136	[illegible]
Mitsui 8½pc 1989	130	[illegible]
J. P. Morgan 4¾pc 1987	123	[illegible]
Motorola 4½pc 1983	123	[illegible]
Owens Illinois 4½pc 1987	85	[illegible]
J. C. Penney 4¼pc 1987	[illegible]	[illegible]
Pioneer 8½pc 1989	116	[illegible]
Rand Selection 6½pc 1986	102	[illegible]
Rank 4½pc 1993	[illegible]	[illegible]
Revlon 4¼pc 1987	101	[illegible]
Sperry Rand 4¼pc 1987	98	[illegible]
Squibb 4¼pc 1987	[illegible]	[illegible]
Toshiba 6½pc 1993	122	[illegible]
Union Carbide 4½pc 1982	103	[illegible]
Warner Lambert 4½pc 1987	96	[illegible]
Warner Lambert 4½pc 1988	86	[illegible]
Xerox 5pc 1988	77	[illegible]

Source: Kidder Peabody Securities.

FARMING AND RAW MATERIALS

Egg sales perk up

By Peter Bullen

EGG SALES have perked up considerably in the past fortnight following the 3p to 5p cuts in prices. Demand for large eggs is particularly strong and enabled packers to raise the first-hand selling price of large by 2p a dozen yesterday which should spread the demand more evenly between the grades.

Average retail prices are below those being paid a year ago, says the Eggs Authority. Despite the big increases in costs that have occurred since then, producer prices are also lower and the average producer is still getting less for his eggs than they cost to produce.

"Producer prices are substantially below the cost of production," said Mr. Peter Kemp, managing director of the Goldenlay marketing consortium, who added that the continued "dumping" of French eggs on the U.K. market was still an irritant.

The London Egg Exchange reported this week that "a revival of interest is becoming apparent" in imported eggs.

London copper values fall on stocks rise forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES dropped on the London Metal Exchange yesterday to the lowest level since mid-February. Cash wirebars closed £11.25 down at £519.5 a tonne.

The decline was attributed to forecasts of another significant rise this week in LME warehouse stocks, already at an all-time peak of 249,975 tonnes after having risen by over 85,000 tonnes during the past 12 weeks alone.

London was also depressed by a downturn in the New York copper market and some persistent selling from the U.S.

Speculators

The decline in values comes in the face of increased interest in copper as a long-term investment. In view of the huge increase in warehouse stocks recently, and the continued absence of any consumer buying demand, many dealers consider that the present price levels are being sustained at an artificially high level in present circumstances—almost entirely by so-called "investment buying."

An increasingly large proportion of the warehouse stocks are now thought to be in speculative hands as an investment awaiting the expected explosion in values once demand picks up again. But, of course, as prices drift lower some speculators may well decide that they cannot afford a short-term negative investment and may well be tempted to sell if the market continues its decline during the traditionally quiet summer months.

On the other hand, as London brokers Rudolf Wolff point out in an analysis of Investing in Copper, just published, the alternative outlets for protecting funds against the ravages of inflation and the decline in the value of sterling are fairly limited. The attraction of copper as an investment is that the downside risk must be relatively small, bearing in mind that current prices are below the cost production at many mines, while the upside potential is much bigger once the hoped for recovery in industrial activity materialises. Storage costs of copper in LME warehouses are low at 15p per ton a week plus insurance of 4.5p.

Tin values rose slightly yesterday encouraged by an increase in the Malaysian market reopening after the one-day holiday this week.

Support buying

Cash zinc was pushed up to a peak of £350 a tonne at one stage, before coming back in later trading to £332.5 at the close £5 down on the previous day when there was a tremendous upsurge in values as producers came in with aggressive support buying. The producers were not thought to be in the market at all yesterday, since their objective is basically to keep LME values from being at too large a discount to the official European producer prices of £360 a tonne. If LME values were pushed too high, this would obviously attract the reported surplus of supplies said to be lurking in the background.

Producer support buying is believed to be still absent from the lead market, which eased yesterday on forecasts that the expected further rise in warehouse stocks was likely to be forthcoming.

New wool floor price assurance

By John Edwards

THE RESHUFFLE of the Australian Cabinet announced yesterday, and particularly the promotion of Mr. Bill Hayden, former Social Security Minister, to Treasurer, has caused some uneasiness in the wool market about the "floor" price for wool during the coming 1975-76 season. Mr. Hayden is known to have supported strongly a move to cut the "floor" price from 250 to 200 cents a kilo, in view of the cost involved in supporting the market at the higher level.

However, Mr. Gough Whitlam, the Australian Prime Minister, in a radio broadcast prior to the announcement of the Cabinet changes, gave an assurance that the Government would stand behind the 250 cents "floor" price throughout the 1975-76 season.

Mr. Whitlam was commenting on uncertainty in the market, reflected in another easing in prices at the wool auctions. The caucus of the Australian Labor Party recently agreed that the "floor" price, defended by support buying by the Australian Wool Corporation, should stay at 250 cents a kilo for the next season, despite reports of a majority in the Cabinet favouring a cut to 200 cents.

IRISH MILK PRODUCTION
Impressive progress and potential

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I HAVE just revisited, after a lapse of some years, the dairy farming districts in the South of Ireland. The changes have been impressive. Pasture management on the best farms is well up to Dutch or New Zealand standards, the heavy use of nitrogen is everywhere evident, and the cattle are no longer the dual purpose Shorthorns for which the country was once famous but mainly Dutch Friesian type.

It would not be true to say that such good farming is the norm. But there is now so much of it, that yields per cow and per acre have every opportunity to improve as the contagious effects of good farming spread in a neighbourhood.

There is certainly room for improvement. Irish cows have the lowest yield in the Community, about 560 gallons annually against an EEC average of 740. But before pointing the finger of scorn it must be remembered that until Ireland joined the Community milk prices were very low indeed, and many farmers took milking less seriously than raising cattle for sale. In the dairying districts, too, the determined efforts of the Government to eradicate TB and brucellosis took a tremendous toll of existing herds.

Small herds

Farmers are now concentrating on milk wherever suitable because the price has practically trebled since joining the Community, and should rise further. Many farmers who habitually reared cattle for sale had such severely depressed returns during the beef crisis of the last 18 months, that they are expected to concentrate on milk production as showing a much better return. The Irish Dairy Board confidently expects output to rise from 600m. to 1bn. gallons by 1980. A not imposible target.

Dairy herds are small. The average being 9.7 cows with 66 per cent. of herds being less than nine head. But these only comprise 23 per cent. of the cows. Of the remainder, 51 per cent. are in herds of more than 20 cows—a figure only exceeded in the Community by the U.K. and the Netherlands. Structurally, Irish farmers should be able to hold their own particularly when their climatic advantages for grassland are fully exploited. In many southern districts cows can be put to pasture up to two months earlier and grazed a month later than in most of Europe.

This has facilitated summer milk production as in New Zealand, which means that cows can be kept with the minimum of concentrated feed. For instance, the average U.K. winter calving herd would use at least a ton of cereal feed a year. In Ireland, the heaviest feeder I came across used under 6 cwts per cow and had a herd average of 900 gallons. This means cheap milk production by any standard. U.K. milk production, though is largely directed at the liquid market, which absorbs 56 per cent. of output and requires a constant supply winter and summer. In Ireland only 16 per cent. finds that market.

The remainder is manufactured, mainly into butter and cheese, and although the Community regime and the protected market has given them much better prices than had ever been known previously, farmers are worried on two counts.

The first and probably minor one concerns money. According to EEC officials Irish farmers should this last month have been receiving 34p a gallon. In fact the majority were getting about 30p with a spread between different factories, almost all co-operatives, of about 3p. Undoubtedly factory efficiency varies and it is certain that many of the smaller ones, which are often merely collection points, are structurally inefficient. This will probably be cured in time.

Much more serious are the overall implications of the Community's surplus milk problem. Unlike beef, when half Ireland's kill last year went to Intervention, no butter and only a little skimmed milk powder has been going into this channel. Most of the butter and cheese has been coming to the U.K. the former assisted by the accession compensatory payments which together with the U.K. subsidy reduces the price to the British consumer by about 40 per cent. below the EEC target price. It is generally expected that when the U.K. domestic price reaches the EEC level consumption could fall by up to 40 per cent. and as the EEC now supplies, nearly 70 per cent. of the market under these arrangements sales would undoubtedly suffer.

The Irish react indignantly when suggestions are made, as they have been recently, that European producers should discipline their own production. They claim with good reason that their climate is ideally suited for dairying, and that they could be the cheapest producers. In addition, they point out that they have the highest proportion of farmers—about 23 per cent.—in the population and that the CAP was specifically designed to assist people in their situation.

New Cromwell

They are quick to point out that their exports of beef to the Community and elsewhere—the only alternative to milk—have been made almost impossible by the workings of the monetary compensatory system. Even more do they resent the remarks of Mr. Pierre Lardinois, the EEC Agricultural Commissioner, to the effect that they are not trying to sell beef in Europe and prefer the easy way out of Intervention. Indeed in some circles Lardinois could well replace Cromwell as the national hate-figure.

To be fair, though, the CAP has done more for the Irish farmer over the past three years by raising milk and beef prices than any other agency, certainly the Irish Government, could ever do.

It is certain that milk production could be doubled and beef substantially increased in a very few years given assurance of markets and prices. But have the Irish enough pull at the centre to get what they consider justice for their farming population, in the face of richer countries each protecting their own farmers?

India scraps export duty on hessian

NEW DELHI, June 5.

THE INDIAN Government has abolished export duty on hessian to aid its depressed jute industry, a Government announcement said here to-day.

Last month export duty on jute carpet-backing was lifted and the industry demanded similar measures in relation to hessian and sacking.

The Indian Jute Mills Association blames competition from synthetics for the slump in demand for Indian jute in the overseas market especially in North America. Devaluation of the Bangladesh Taka by almost 30 per cent. last month aggravated the situation it said.

Export duty on hessian was Rs.600 per tonne and the remaining duty on sacking, the other principal jute export product, is Rs170 per tonne.
—Reuter

U.K. move on fish limits urged

BY RICHARD MOONEY

A CALL for a U.K. initiative on extending fishing limits in the North Atlantic was made yesterday by Dr. W. J. Lyon Dean, chairman and secretary of the Herring Industry Board, who was introducing the Board's 1974 annual report in Edinburgh.

Though the report rejected the call made by many Scottish herring fishermen for a unilaterally declared U.K. 50-mile limit, Dr. Lyon Dean said he felt that it should be possible to agree on a joint extension by the major fishing nations in European waters. He said the results of enquiries undertaken by the Norwegian authorities indicated that Russia, Iceland, Denmark and the Faroes would all agree to such a policy.

Dr. Lyon Dean specifically suggested the adoption of a 200-mile limit with the first 50 miles exclusive to the U.K. and the remainder to be operated by the Community on a quota basis.

Following the collapse of the Law of the Sea Conference in Geneva it has been suggested that it might be as long as ten or 20 years before any workable agreement was reached. Dr. Lyon Dean said this would be too late for some sections of the fishing industry and pointed to the general consensus at the conference in favour of 200-mile fishing limits as evidence that separate action could be taken on this question by interested nations.

Turning to the results of the recent North East Atlantic Fisheries Commission (NEAFC) meeting, Dr. Lyon Dean welcomed the ban on industrial fishing for herring but regretted that no effective action had been taken on fishing immature herring or on increased coastal preferences for the U.K.

The value of British herring landings in 1974 amounted to £13.3m. compared with £9.5m. in 1973, the report says. Landings, however, fell by some 10,000 tonnes to about 148,000. The value of herring and herring products exported last year totalled £13m. against £8.6m. in the previous year.

Fish farming potential

BY OUR COMMODITIES STAFF

BRITAIN'S FISH farming industry could eventually be worth £50m. a year according to Dr. Norman Kerr and Mr. Keith Howard, both of the White Fish Authority.

In a joint paper to be discussed at the Royal Society of Arts next Tuesday the two say: "The nature and extent of the U.K. coastline offers the embryonic fish farming industry great scope for development." They note, however, that this development depends on solutions being found to technical and administrative problems.

Technical problems include the devising and developing of methods of breeding and rearing fish "that not only work but can be made to work profitably," the paper says.

On the administrative side the authors say that lack of official recognition of the industry's existence has resulted in its being denied the protection and encouragement of either conventional fishing or agriculture. It has actually been hampered in some ways

Fall in rubber exports from Malaysia

SINGAPORE, June 5.

EXPORTS of sheet and crepe rubber from Singapore and peninsular Malaysia in March rose to 146,861 tonnes from 122,544 in February but fell from 184,406 tonnes in March 1974, Statistics Department figures here show.

Exports of all types of rubber in March totalled 168,143 tonnes against 138,082 in February and 200,798 tonnes in March 1974.

Total exports of all types of rubber in January-March totalled 446,229 tonnes against 595,436 in the same 1974 period.
Reuter

U.S. TO STUDY SUGAR POLICY

WASHINGTON, June 5.

FIVE DAYS of hearings on the sugar situation and the possible need for new legislation will begin on July 14, Mr. Thomas Foley, chairman of the House of Representatives' Agriculture Committee, announced.

He said the committee will hear from all interested parties and then decide whether legislation is needed, reports Reuter.

U.S. SUSPENDS ZINC ORE DUTY

WASHINGTON, June 5.

The House of Representatives trade sub-committee has approved measures suspending duties on zinc ores and other materials, Reuter reports. The panel voted a three-year suspension of the duty for zinc ores on the grounds that the U.S. zinc smelters cannot get enough zinc to work at capacity.

Sheep movement curbs imposed

FROM MID-NIGHT last night the Ministry of Agriculture imposed movement restrictions on sheep in parts of Devon, Somerset and Dorset as a sheep scab precaution.

So far this year seven cases of the disease have been confirmed in the area which extends from the western boundary of Devon to mid-Somerset including the western tip of Dorset.

U.S. CADMIUM PRICE CUT

CLAYTON, Montana, June 5.

Amax Lead and Zinc to-day reduced the price for cadmium metal in one-ton lots by $1.25 per pound to $3 delivered in the U.S.
Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Lost ground on the London Metal Exchange. Talk of a further substantial increase in the already record warehouse stocks figure, the fall in the U.S. market overnight and fresh speculative selling depressed the market from the outset with forward metal trading down to £539 before ending at £539.5 on the afternoon Kerb. A fair volume of two-way business developed at £545 before the lower trend was continued in the afternoon following the opening easiness of the U.S. market. Turnover 23,175 tonnes.

Amalgamated Metal Group reported that in the morning cash wirebars traded at £526, 25.5, 25. Three months £546, 47, 46.5, 46, 45. Cathodes, cash £515. Three months £533.5. Kerb: bars, cash £524, 23. Three months £544, 43, 42, 43, 42.5, 42, cathodes, cash £515. Afternoon: wirebars, three months £540, 39, 39.5, 39, cash untraded, cathodes untraded. Kerb: bars, three months £538, 40, 41, 40, 39.5, 39, 40, 39.5, 39, 39.5, cathodes untraded.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	525-.5	-8.25	519-20	-11.2
3 months	545-.5	-8.75	539-.5	-11.7
Settlem't	525.5	-6.5	—	.....
Cathodes				
Cash	515-.5	-5.25	510-8	-10
3 months	535-.5	-5.	530-1	-10.5
Settlem't	515.5	-5.5	.....	.....
U.S. Smt.	—	.....	*63.70	.....

TIN—Firmer again. The rise in Penang coupled with short-covering induced by the recent narrowing of the contango pushed prices higher. Turnover 1,085 tonnes.

Morning: standard: cash £3,003, £3,005. Three months £3,015, 17, 15. High grade: untraded. Kerb: standard: all carries. High grade: untraded. Afternoon: standard: cash £3,004, £3,005. Three months £3,016, 18, £3,020. High grade: untraded. Kerb: standard: cash £3,005. High grade: untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3003.5	+16	3007-10	+7.5
3 months	3012-20	+11	3020-3	+8.5
S'ment	3005	+15	—	.....
Standard	[illegible]	[illegible]	[illegible]	[illegible]

OIL TANKERS—More inquiry but no apparent improvement in depressed rates. Some of the inquiry came from the U.S. seeking ships in the 130,000-160,000 tons range from Persian Gulf to West but the market hopes were depressed by a Norwegian fixture of a 130,000-tonner, prompt loading, from Persian Gulf to West at Worldscale 17½. Union Oil is negotiating tonnage from Persian Gulf to

Barley: EEC Feed June £50.25, July £51.25 transhipment East Coast.

MARK LANE—Average sellers' quotations per long ton delivered London area: Wheat, milling Hagberg, June £52; denaturable June £51.25. Barley, feed June £52.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steadier. Close: Sept. 55.50, Nov. 57.90, Jan. 60.05, March 61.95, May 63.85. Business: Sept. 55.25-55.65.

respective shipment periods. Yarns and cloths very quiet.

LONDON—Easier. Bangladesh White C grade June-July £200, D grade June-July £193 seller. A long ton.

CALCUTTA—Quiet. Indian June Rs.460.00, Dundee Daisee June Rs.429 value. A bale of 400 lbs.

SOYABEAN MEAL

MEAT/VEGETABLES

COCOA

COFFEE

SUGAR

SILVER

RUBBER

WOOL FUTURES

FREIGHTS

GRAINS

JUTE

COTTON

PRICE CHANGES

Prices per ton unless otherwise stated.

	June 5 1975	+ or —	Month ago
Metals			
Aluminium (a)	£596	.....	£378.5
Free market c.i.f.	£285-295	.....	285-295
Copper			
Cash Wire Bars	£519.5	-11.25	£535.25
3 month do. do.	£539.25	-11.75	£551.75

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Copper and grains fall back again

NEW YORK, June 5.

SILVER closed slightly lower on Commission House selling. Copper plumbed new contract lows as LME stocks are expected to reach new record levels on Monday. Commission House buying pushed cocoa higher. Sugar advanced on trade buying as a result of a constructive price paid for a Colubian tender. Late local and hedge-selling forced Chicago grains and soyabeans lower in a mixed market, Bache reports.

Cocoa—Ghana spot 64 (63). Bahia spot 54¾ (54). July 46.90 (46.50), Sept. 44.20 (43.95). Dec. 44.10. March 44.55. May 44.90, July 45.25, Sept. nil. Sales, 1,224 lots.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: July 55.90-56.20 (55.50). Sept. 56.65-56.90 (56.90), Nov. 57.40, Dec. 57.40-57.60. March 57.50. May 56.70 asked. Sales, 436.

Copper—June 51.90 (53.80). July 52.20 (54.20), August 52.70. Sept. 53.30 settlements. Sales 2,716 lots.

Cotton—July 44.44-44.45 (43.07). Oct. 45.64-45.65 (45.16). Dec. 46.35-46.42. March 47.20-47.30. May 47.75-47.85. July 48.50-48.55. Oct. 48.76-48.64. Sales, 1,550.

Gold—June 163.70 (164.20). July 166.30 (165.00), August 167.40. Oct. 169.70. Dec. 172.00. Feb. 174.40, April 176.70. June 179.00, August 181.30. Oct. 183.60 settlements. Total sales, 1,157 lots.

Greasewool—Spot 134.0 nom. (same), July 132.5-141.0 (132.5-137.5 asked), Oct. 136.5-142.0 (135.0-138.5 asked), Dec. 136.5-142.0, March 136.5-142.0, May 136.5-145.0, July 136.5 bid. Oct. 136.5 bid.

†Lard—Chicago loose 24 traded (23¾ asked). NY drummer 30 nom. (29¾ nom.)

††Maize—July 275-275½ (same). Sept 251¾-251½ (252¾-252½). Dec. 257-257¼. March 243-242¾. May 246.

‡Platinum—July 149.70 (150.10). Oct 153.40 (153.20). Jan. 157.00. April 160.20. July 163.40. Oct. 166.00 settlements. Sales, 99.

‡‡Silver—Spot 443.0 (439.00). June 435.00 (438.00). July 441.00 (441.50). August 444.20.

The Property Market

BY JOHN TRAFFORD

Eagle Star leads the way in agriculture

EAGLE STAR Insurance has agreed in principle to purchase 10,000 acres of tenanted Hampshire farmland from the executors of the late Lord Rank for a substantial sum which could well be around £4m. The deal, was announced locally about three weeks ago, but has yet to be finalised in all details.

The property, called the Sutton Manor Estate at Sutton Scotney near Basingstoke, is the first major acquisition by a major institution for many months and brings Eagle Star's total agricultural and forestry land portfolio up to a total of 71,500 acres in Britain.

The institution has been in the agricultural investment market since 1948. During the mad boom years in agricultural land prices it held back from major investments so its return to the market in a big way is an interesting pointer.

Further interesting reflections on future land investment activity come from another quarter. Over the next three months, there are going to be two or three big purchases of forestry land according to Brian Howell, managing director of Matthews Wrightson Land, the land investment advisory subsidiary of Matthews Wrightson (Holdings).

In Howell's experience, the insurance companies have shown particular interest although at least one major pension fund is also sniffing around with intent to buy.

For decades, forestry has been regarded as a rather unglamorous form of long-term investment for the institutions. It combined a number of apparently highly unattractive attributes to the institutional investor: no income at all for many years, a rather pedestrian rate of capital growth and some management problems.

With the experience of the past two years as a healthy reminder and with the Community Land Bill looming, the situation may now at last be changing. The trend, if there is one, is being helped on its way not only by Matthews Wrightson Land but also by Cluttons: the former has produced a paper on forestry investment for gross funds, the latter a paper on investment on agricultural land.

Knight Frank and Rutley, Strutt and Parker, Humbert Flint, and Jackson Stops are all also active in offering investment advice — and there are many others.

The Matthews Wrightson approach is subtly mixed with an appeal to the gross fund manager's patriotism. It is pointed out that timber is Britain's third largest import, accounting for £2,000m. in 1974. At present the country only grows 8 per cent. of our needs, the objective is to reach 15 per cent. by the turn of the century.

This, in Howell's view, is far too low. "My plan," he says modestly, "is to double that double target so that we could be self-supporting for a third of our timber needs."

City lettings move up again

LETTINGS in the City of London and surrounding areas moved encouragingly ahead during May, according to the latest City Floorspace survey published by *Richard Saunders and Partners*. The lettings figure was 209,000 square feet compared with a rather disappointing 214,000 recorded in April.

With this relatively strong demand the availability of City space increased by only 79,000 square feet, the only time the increase has been held to a five figure number for over a year. The agents now estimate total office availability in London EC, WC, SE1 and E1 at 3,442,000 square feet compared with 3,363,000 square feet a month ago.

For the record it is worth remembering that the comparable figure for June, 1974, was a mere 1,015,000 square feet, so availability has trebled in the space of 12 months.

The latest report shows a significant increase in space availability in two districts, EC 1, where overall availability rose by 42,000 to 199,000 square feet and lettings dropped to a paltry 15,000 square feet, and WC 1, where the figure rose by 24,000 to 334,000 square feet.

The major item in the past month has, of course, been Chemical Bank's taking space in Arundel Great Court and this is duly shown in the WC 2 figures where total lettings for the month were a gigantic 120,000 square feet.

One major letting can transform the Richard Saunders figures, but it would be wrong to draw the conclusion that, because the increase in availability has apparently slowed down, we have almost reached the bottom of the decline in Central London rents.

A land fit for bounty-hunters

MR. HUGH ROSSI, who is leading the Tory assault on Mr. John Silkin's Community Land Bill can have left few of the audience at the last quarterly meeting of the Kent Branch of the ISVA in any doubt about his opposition to the measure. He promised he and his colleagues would use every Parliamentary device to delay the Bill during its committee stage even though he had no quarrel with the principle of returning to the community value created by the community.

His most telling thrusts were, not surprisingly, directed towards the powers and practice of local authorities in acquiring land for "relevant development."

He pointed out land, when developed by the building of one house for the owner of the land or his family, will not be relevant development, but "there is nothing at all to prevent the local authority acquiring that land from the owner for some other development." He cited as an example a comprehensive development scheme involving the building of more than one house. "So not even owner/occupier land is safe although it has been suggested by some commentators that it is."

Later in his speech, Mr. Rossi painted a disturbing picture of the likely result of the Bill's proposal that allow anybody at all to apply for planning permission on anybody else's land. He went on:

"Having done that, and drawn the land to the attention of the local authority (which buys it cheap at existing use or current use value or net of development tax), the local authority will have the right to sell to the person who identified the land for them. . . . *John Silkin would be* creating a legion of bounty-hunters to go around bringing in land, dead or alive, for the local authorities. There would be a reward for doing so out of the development or whatever terms of contract the local authority is prepared to negotiate after having had the land identified in that particular way."

Mr. Rossi did not use the word corruption but it cannot have been far from his mind.

Good industrials in Sunbury

FURTHER EVIDENCE of the buoyancy in the industrial lettings market for modern premises in good locations came this week from Sunbury. Law Land Group, has now fully let the first phase of its £8m. industrial space and office scheme adjacent to the M3 Motorway. This first phase comprises 110,000 square feet of single storey warehousing and associated offices. The largest single letting has gone to Vehofreight which has taken 40,000 square feet but the most significant fact is that rentals achieved have moved from £1.25 a square foot for pre-lets agreed when the building construction began 18 months ago to £1.75 a square foot now.

Two more warehouses are being built in the second phase totalling 135,000 square feet. On one of them the letting agents, Conway Relf, are asking £1.75 a square foot for a single letting. For the other they are looking *for even higher rentals of around* £2.00 for units of 20,000 square feet upwards—and who is to say that they will not get it?

The agents detect a very strong demand for small units but a rather more patchy demand pattern for industrial space above 20,000 square feet. Their experience, and that of many other industrial letting agents, seems to be that much of the apparent glut in industrial space available is in reality the sort of space that no self-respecting and expanding company would look twice at.

The Sunbury development also comprises a 49,000 square foot air conditioned office block which will be ready for occupation in March next year. The asking rent is understood to be around £5.50 a square foot.

Sun Alliance and London Insurance Group have long-term funded the complete development.

Relocation gathers pace

SINCE the lifting of the business rents freeze on March 19, Jones Lang Wootton has agreed terms for letting more than 800,000 square feet of provincial office accommodation, much of it to companies leaving London. Despite the decline in London rents, the agents think the trend to relocation will continue. They *have witnessed an increasing* flow of inquiries from companies presently installed in central London. Many of these companies have held long leases at low rents and are now faced with big rent and rate increases simultaneously.

The most sought-after locations are those with good road, rail and air communications coupled with availability of labour and housing in the south east. More encouragingly, Jones Lang detect a growing interest in the "Areas for Expansion" which have *recently been promoted so* heavily in Government advertisements pointing out the grants available.

The agents say that there is still a fairly healthy supply of offices in most provincial towns but that virtually no new starts are being made. This, coupled with the demand for space, is almost bound to lead to a future shortage of space in the better provincial locations.

Although it is still possible to *rent first class accommodation at* well below an economic return, as calculated on current building costs, the situation is unlikely to last unless the economy really falls apart. It could well be that some candidates for relocation will delay too long and find that suitable space is no longer available at acceptable rents.

Too costly at £6?

ANOTHER *footnote* to the continuing saga of declining office rents in central London. The agents Clifford Douglas and Leavers have been trying to let the 9,000 square foot Nestor House, in Playhouse Yard just behind the Observer building in Queen Victoria Street, for some able figure for June, 1974, was months at an asking rent of £6 a square foot and the inducement of a "substantial" rent free period.

Stephen Rothbart of Clifford Douglas comments that it seems an extraordinary situation since the property can be divided into units from 1,800 square feet to 3,000, 5,000 an 7,000 square feet. Furthermore the building is not all that old—it was built post-war, and has a lift and central heating.

Morgan Guaranty goes to Stratford

FOLLOWING hard on the heels of the letting of the 109,000 square foot Strand Wing of Arundel Great Court, Aldwych, to Chemical Bank comes news of another, even larger letting to another American tenant in London. Morgan Guaranty Trust Company of New York has taken a lease on the first completed office block in the Stratford Centre, London, E.15. The asking rental for the 103,000 square feet is understood to have been £6.50 a square foot and it seems likely that a figure a little below this was actually agreed along with five and seven yearly rent reviews.

This is a Ravenseft development in partnership with the London Borough of Newham. When the final phase is complete, there will be 91 shops, major stores (all let or under offer), multi-storey car parks and two smaller offices (one of 60,000 square feet already completed, and other of 25,000 square feet). The asking rent for the larger of these two offices is also £6.50 a square foot.

Hillier Parker, who acted with Victor Behrens Sandhurst for Ravenseft, sees the deal as justifying some further good quality speculative office development in the London area. They express the pious sentiment that "partnership between local authorities and developers which has worked so well in the past should even in this difficult time be encouraged."

One intriguing aspect of the deal is that, although Morgan Guaranty's 25-year lease on the property took effect on March 25, the company does not intend to move into the premises for another two years. This is the estimated time required for fitting out strong rooms and all the other security and communications facilities required of a banking operation.

Morgan Guaranty were represented by Jones Lang Wootton.

OUT AND ABOUT

- Wilmurton Manufacturing has paid £30,000 for the 39-year unexpired portion of a lease on 3,070 square feet of light industrial space at Grays in Essex. The building is on the [illegible] Industrial Estate. The price paid equates to a rental of [illegible] a square foot.

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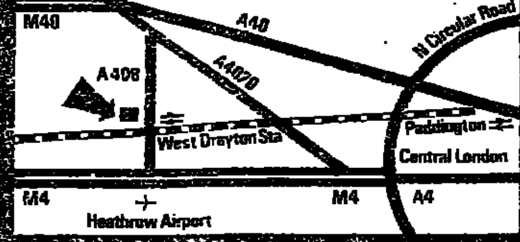

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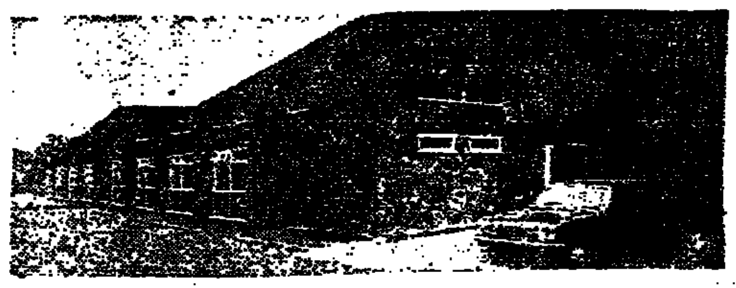

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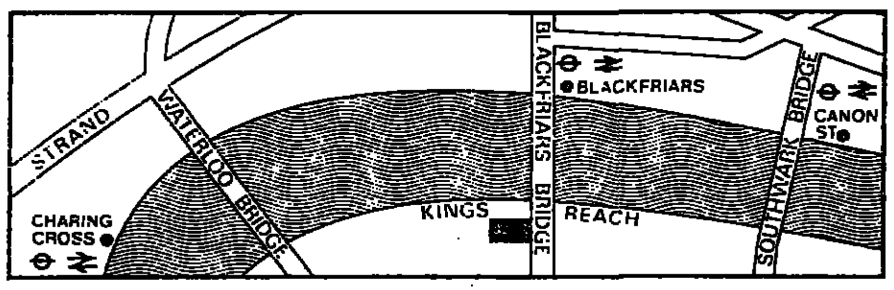

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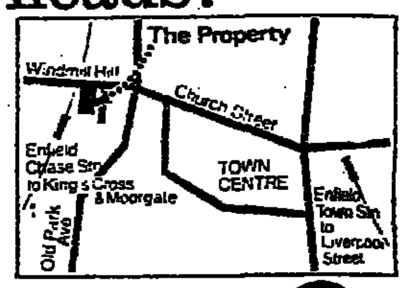

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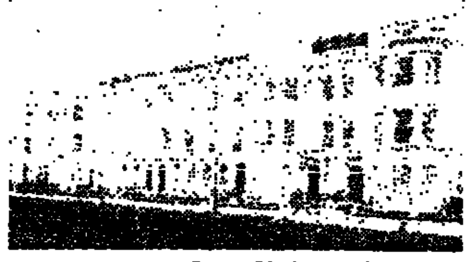

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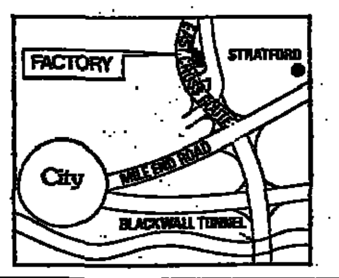

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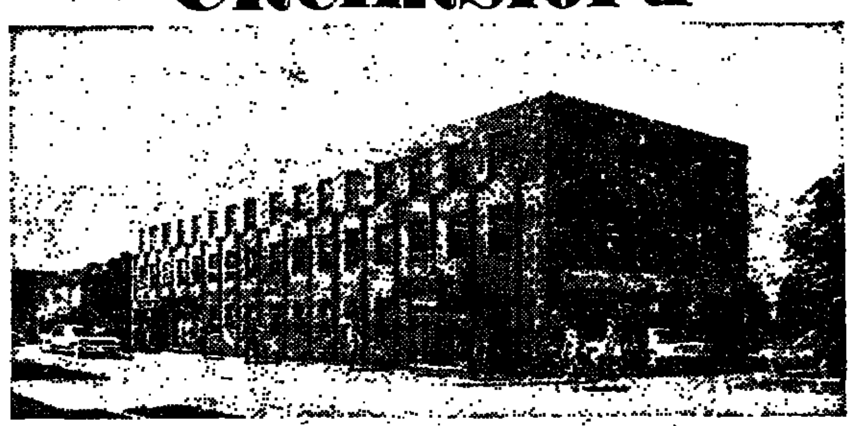

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FACTORY 3,000/5,000 sq. ft. freehold or leasehold without rent revisions, required for own occupation in Middlesex, Surrey or Herts within 15 miles from Acton. Phone 01-580 3705.

FACTORIES AND WAREHOUSES

NEW WAREHOUSING
TO BE LET
IMMEDIATELY AVAILABLE
SOUTH KENT
Sq. 3,750/18,000 ft.
Sole Agents:
A.C. Frost & Co
3, High Street, Windsor Berks. Tel.: 07535 54555/8.
or
Smith, Woolley & Perry
43, Castle Hill Avenue, Folkestone, Kent. Tel.: 0303 57191.

NORTH CIRCULAR ROAD
VALUABLE FACTORY AND OFFICE PREMISES
42,600 SQ. FT.
FOR SALE
Apply sole agents:
LAMBOURNE, FOREMAN & PARTNERS
3, Cork Street, W1X 1HA. Tel.: 01-437 1722/3

68,000 sq. ft. for £43,200 per annum—Single storey factory on 5.5 acres—Nottingham South. Cavanagh & Co., 92 Friar Lane, Nottingham Tel. 40747.

WANTED

WANTED URGENTLY
WAREHOUSE PREMISES to rent for short term of up to 2 years, in North, North West London. AREA—up to 20 miles from centre London. SIZE REQUIRED 10,000—15,000 sq. ft. (or nearest).
Please send on full particulars to
INNISDAIL ESTATES LTD., ESTATES OFFICE, CAMPSIE GLEN, GLASGOW G65 7AA.

SHOPS AND OFFICES

OFFICES
Heathrow — Various suites immed. available 200 sq. ft. 300 sq. ft., 500 sq. ft., 2,000 sq. ft.
Sunbury — Prestige Block — 7,250 sq. ft., £23,300 per annum.
Ashford (Middx.) — Prestige Block—1,900 sq. ft.—6,100 sq. ft. £5 per sq. ft.
WAREHOUSE & INDUSTRIAL
Feltham—7,700 sq. ft. £15,000 per annum. 4,200 sq. ft. £10,000 per annum.
Uxbridge—5,000 sq. ft. £9,250 per annum.
Full details:
aoc INTERNATIONAL
Heathrow House, Bath Road, Cranford, Middx. TW5 9QQ. Tel: 01-759 0966.

OFFICES TO LET
CHESHAM HIGH STREET.
A superb suite of 2,825 sq. ft., at only £2.50 per sq. ft. for long lease with nominal premium of £500.
Apply:
SAVAGE & PARTNERS
4, Red Lion Street, Chesham, Bucks. HP5 1HF.
Telephone: Chesham 2401/2

LONDON, W.1. 2,000 sq. ft. Prestige new office building. 6 months rent free. £7.50 per sq. ft. Lift. C.H., carpeting, picture windows. Apply ref. AVN. BP Ltd., Prince Regent House 3 Carburton St., London W1P 7DJ. Phone 01-580 0044.

SUTTON BDRS. Opp. Stn. (London Bdge./Victoria 24 mins.). Exciting new 4,000 sq. ft. of richly furnished offices/showroom/storage. Car park, c.h., fully carpeted. Magnificent accmdtn. Suit any 1st Class Co. Possn. 28 days. STREET Group 01-643 8181.

MAYFAIR, W.1. Furnished offices available from only £13 per week including rates, furniture, carpets, telephone telex facs., heat and light, daily cleaning, reception etc. Tel. 01-734 8687/8.

WHITSTABLE. Prestige modern offices on two floors with car parking and full central heating. 1,642 sq. ft. £3,300 per annum. Full details: Clottons, 17 New Dover Road, Canterbury, Kent. (Tel. 0227 51155).

SOUTH KENSINGTON
Suite of Light and Spacious Offices comprising 1,050 sq. ft. of open space on 1st Floor
Cloakroom for both sexes.
Approx 750 sq. ft. of Basement/Storage Space
Lease Approx 5 years at the very Low Rent of £3.75 per sq. ft.
Adjacent to Tube Station and all amenities
Price for Lease £6,000 or offer
Ring Agents 01-373 4461

OFFICE SUITES
UP TO 2,000 SQ. FT.
CENTRAL WINDSOR
CROFT & CO.,
21, High Street, Eton, Windsor Berks.
Tel. Windsor 51251

W.2. EDGWARE RD. 500 to 700 sq. ft. office and res., new, high standard comfort, tel., reasonable rent, lease negotiable. 01-458 5732.
MAYFAIR, W.1. Unbelievable modern offices in small bldg. Superbly dec. with tweed walls, spotlights, etc. 3-800 sq. ft. furn. or unfurn. 01-408 2112.
BRANDON, Norfolk Suffolk Border—TO LET approximately 3,000 sq. ft. of Ground Floor office space. Central heating. Option on rental of 5 flats for staff if required. Rent by negotiation.—H. GOYMOUR, The Grove, Banham, Norfolk. Quidenham 345.

INTERNATIONAL PROPERTY

NEW YORK OFFICES
British owned company with excess office/stockroom space in excellent Murrayhill location, would like to share with another company.
APPROX. 3,000 SQUARE FEET AT $5 PER SQ. FT.
Interested parties please telephone Managing Director in London 01-734 1313

APPOINTMENTS

PERSONAL

CLUBS

CORPORATION LOANS

SEMINARS

COMPANY NOTICES

COMPAGNIE FRANCAISE DES PETROLES

S.A. CAPITAL STOCK
F 1.068.690.200 in 21.373.804
SHARES of F 50 EACH
(including 100.745 Class "A" shares and 21.273.059 Class "B" shares)

Head Office
5, rue Michel-Ange,
75016 Paris
R.C. Paris B 542 051 180

NOTICE FOR SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN to the Shareholders that they are to convene on Friday June 27, 1975 at the Company's Head Office, 5 rue Michel-Ange, 75016 Paris for an Ordinary General Meeting, at 10.30 a.m., so as to discuss the following points on the Agenda.

AGENDA

—Report of the Board of Directors on 1974 operations and accounts. Auditors' Report.
—Approval of the said Reports, accounts and Balance Sheet, granting discharge to the Directors.
—Income allocation and distribution of dividend.
—Authorization granted to the Board to carry out Stock Exchange transactions on the Company's shares.
—Renewing the mandate of a Director whose term expires at the end of the Meeting.
—Setting the Directors' attendance fees.
—Approving transactions covered by Article 101 of the Law Decree dated July 24, 1966.
—Setting redemption price for Class "A" shares until the next General Shareholders' Meeting, according to Article 11 of the Statutes.

All shareholders, regardless of the *number of shares owned*, are entitled to attend the Ordinary General Shareholders' Meeting or be represented by a proxy shareholder or by their spouse.

However, in order to be able to attend this meeting or be represented therefore, the shareholders who own registered shares should be listed on the Company registers, five full calendar days before the Meeting is to convene. The shareholders who *own bearer share(s) should*, within the same timespan deposit their share certificates or certificates issued by the bank, the financial establishments or broker with whom the said shares are deposited in one of the following establishments:

—Banque de Paris et des Pays-Bas 3, rue d'Antin, 75002 Paris.
—Credit du Nord et Union Parisienne, Union Bancaire, 6 and 8 boulevard Haussmann 75009 Paris

Before the Ordinary General Meeting begins, a film will be shown to the Shareholders. This film featuring TOTAL Group operations starts at 10 a.m.

The Annual Report may be obtained together with the proxy statements at the London Office of Banque de Paris et des Pays-Bas, Moor House 119 London Wall, London EC2Y 5DR.

BOARD OF DIRECTORS.

UNILEVER N.V.

7% AND 6% PREFERENCE SUB-SHARES ISSUED BY N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR

First half yearly dividends for 1975 of 3.5% (Fl. 0.42) Serial No. 68 and 3% (Fl. 0.36) Serial No. 69 respectively will be paid on and after 1st July, 1975. To obtain these dividends certificates must be listed on listing forms obtainable from one of the following banks. *The listing form includes an undertaking to mark the certificates which need not be lodged with the form.*

Midland Bank Limited,
New Issue Department, Austin *Friars House, Austin Friars, London, EC2P 2HU*
Northern Bank Limited,
2 Waring Street, Belfast, BT1 2EE
Allied Irish Banks Limited
Securities Department, 3-4 Foster *Place, Dublin, 2.*
Clydesdale Bank Limited
30, St. Vincent Place Glasgow

from which banks fuller details of the dividends may be obtained on and after 30th June, 1975.

The REGISTERS of Certificates for these sub-shares will be CLOSED from 13th June, 1975 to 30th June 1975 both dates inclusive.

Exchange of Original Shares for Certificates of sub-shares and vice versa *after 13th June 1975 will be on "Ex Dividend"* basis.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR.

London Transfer Office,
Unilever House
Blackfriars
London, EC4P 4BQ

7% PREFERENCE DUTCH CERTIFICATES OF FL. 1.000 AND FL. 100

The dividend will be paid against surrender of Coupon No. 88. Coupons may be encashed through Midland Bank Limited at the above address or through one of the paying agents in the Netherlands. Coupons encashed through Midland *Bank Limited* (from which fuller details of the dividend may be obtained) must be listed on a special form obtainable from the Bank which contains a declaration that the certificates to which the coupons relate do *not belong to a resident of the Netherlands.*

5th June 1975.

JARDINE SELECTION N.V.

The Supervisory Board and management of Jardine Selection N.V. ("the Company") have resolved that the Company should offer to repurchase from holders of its shares a further part of their holdings, subject to the terms and conditions contained in the repurchasing memorandum dated 6th June, 1975 and the accompanying acceptance form, shareholders may have up to 5 per cent of their holdings repurchased on 17th June 1975 at a price per share payable in U.S. dollars of 90 per cent. of net asset value on that date. For the information of the shareholders the net asset value of a share in the Company as at 30th May 1975 was U.S.$13.44

Copies of the repurchasing memorandum and the acceptance form may be obtained from the office of Amsterdam-Rotterdam Bank N.V. at 595 Herengracht Amsterdam Dewaay Luxembourg S.A. at 47 Boulevard Royal, Luxembourg and Nationale Trust Maatschappij (Nederlandse Antillen) N.V. P.O. Box 640, Middelstraat 4, Willemstad Curacao Netherlands Antilles.

By Order of the Supervisory Board.
P. L. A. JAMIESON.
Delegate Member

6th June 1975

HEPWORTH CERAMIC HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books for the 7½% Convertible Unsecured Loan Stock, 1977, the 11% Convertible Unsecured Loan Stock, 1978 and the 7¼% Debenture Stock 1988-93 of the above named Company will be closed from 6th June to 17th June 1975 inclusive, for the preparation of Interest Warrants

J. BIRTWHISTLE
Secretary

Genefax House,
Sheffield. S10 3FJ.

TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED
Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 71

Further to the interim report and dividend notice advertised in the Press on 8th May, 1975, the conversion rate applicable to payments in U.K. currency of the above-mentioned dividend is £1 = R1.579490 equivalent to 14.56166p per share.

The effective rate of South African Non-Resident Shareholders' tax is 15%.

Office of the London Secretaries:
Charter Consolidated Limited,
40, Holborn Viaduct,
London, EC1P 1AJ.
Share transfer office of the London Secretaries:
P.O. Box 102,
Charter House
Park Street,
Ashford, Kent, TN24 8EQ.
2nd June, 1975.

McCARTHY RODWAY LIMITED
Incorporated in the Republic of South Africa.

NOTICE TO SHAREHOLDERS
PREFERENCE DIVIDEND NO. 55

NOTICE IS HEREBY GIVEN that the fifty-fifth half-yearly preference dividend at the rate of 5½ (five and a half) cents per share has been declared by the directors, and payable to holders of preference shares registered in the books of the company at the close of business on the 30th June, 1975

The dividend is declared in the currency of the Republic of South Africa.

For the purpose of establishing the shareholders entitled to participate in this dividend the preference transfer register of the company will be closed from 1st July 1975, to 11th July, 1975, both days inclusive.

Dividend warrants will be posted to shareholders on or about the 31st July, 1975

In terms of the Republic of South Africa Income Tax Act of 1962 (as amended) the non-resident shareholders' tax of 15% will be deducted by the company from *dividends payable to shareholders whose* addresses in the register are outside the Republic of South Africa

By Order of the Board
C. R. BANNISTER, F.C.I.S.
Secretary.

Registered Office:
150 Smith Street,
DURBAN.
6th June, 1975.

CONCERTS

QUEEN ELIZABETH HALL. Tnt. 7.45. RAVEL BRITTEN BIRTWISTLE — London Sinfonietta

CONTRACTS AND TENDERS

Scottish Economic Planning Department
PETERHEAD BAY HARBOUR
Construction of a Tanker Jetty

The Secretary of State for Scotland proposes to invite tenders from experienced contractors for the construction of a tanker jetty at Peterhead Bay Harbour.

The construction is in tidal water of an open pile structure approach jetty 560 metres long with two tanker berthing heads each 40 metres x 15 metres, a tug berth 40 metres x 10 metres, a tug berth 40 metres x 10 metres and associated mooring dolphins.

Construction will be in two phases:—

PHASE 1 will comprise the inner tanker berth, tug berth and 356 metres of access jetty having a 7 metre wide roadway of precast, prestressed concrete sections spanning 12 metres between 20.4 metres wide trestleways.

PHASE 2 *will comprise the outer tanker berth and 204 metres* of access jetty having a 5 metre wide roadway of precast, prestressed concrete sections spanning 12 metres between 15.7 metres wide trestleways. Firms selected to tender will be required *to submit separate prices for the entire scheme (Phases 1 and 2)* and for Phase 1 only.

Contractors wishing to be considered in the list of firms to be invited to tender for this contract should apply to the Secretary, *Scottish Economic Planning Department, Transport Division*, Room 5/40, New St. Andrew's House, St. James Centre, Edinburgh not later than 20 June 1975. Thereafter invitations to tender will be extended to selected contractors, and the necessary tender documents and drawings will be issued by Messrs. Babtie Shaw & Morton, Consulting Engineers, 95 Bothwell Street, Glasgow G2 7HX stating when the tenders are to be returned.

The intention is that tendering should be restricted to firms of *proven capacity and experience who at the time will be in a* position to submit genuinely competitive tenders.

The scheme is being advertised also through the medium of the Official Journal of the European Communities.

H. A. N. Brockman on U.K. architects' prospects in the Middle East

Building bridges to Arabia

A MAJOR problem for the architectural profession in the present depressed state of the building industry is how to use more widely the store of knowledge *available* in the techniques of design and planning. Many backward countries in the world are looking for specialists in this area. This is particularly true of the Middle East where old civilisations with suddenly-acquired wealth need everything of which the modern city is comprised.

The work of the British architect in these areas is well exemplified by the completion of the conference centre, hotel and mosque, at Riyadh, Saudi Arabia, which was designed by Mr. Trevor Dannatt.

Riyadh is a large city and the site of the project (78,000 square metres) *is* on rising ground to the north west. The design was the winner in a limited international competition held in 1966 and later developed and finally approved by the late King Feisal. The Dannatt partnership had as engineering consultants the firm of Ove Arup and Partners whose sound-relationship *with architects has* long been established. The building is intended for national and international meetings and seminars, eventually to become a cultural focus for the capital city. It is a group of great distinction.

There is much to be said for the prestige a large building group of this excellence brings to Britain's architectural profession from the Middle East. About 20 major British architectural practices are now working in this area catering for all aspects of the enormous town and industrial expansions which are being developed. There is great competition from Europe, America, Canada and even Japan, but the U.K. prestige is high and once the difficulty of *getting on* close personal terms with the client has been successfully overcome the British architect and his professional colleagues *appear to be* welcome. This question of personal relationships is of extreme importance when dealing with a people whose *philosophy differs* so strongly from that of the West, but whose recognition of integrity is immediate.

There is no doubt that Mr. Dannatt's fine architectural conception will bring considerable influence to bear on future building in Riyadh, and will do much to persuade the oil-producing countries to turn first *to those who not only have great* experience in the fields of architecture and engineering, but who are unrivalled in the planning of new towns.

Knowledge

The present depression in the building industry, particularly among its professional members, has left a substantial core of expert knowledge and aesthetic skill available if only the contacts can be *made with Government* help to increase the flow of work from the Middle East. Fortunately, such an agency already exists under the title of Millbank Technical Services and it operates over a wide industrial field.

The need for such an organisation was strongly emphasised in the RIBA memorandum on the Workload of the Architectural Profession submitted to the Government last December, both to lighten the present extreme depression in the architectural *profession* and to increase the services architects can offer overseas.

The MTS is still in its formative stage. It has in its directorate two architect members and one of its objects is to offer *services* to the construction industry and to design and construction consortia. It would also provide facilities for the education *and training of* potential designers and builders as well as the maintenance workers who will be so urgently needed in the *future*. The services of MTS even go to the length of supplying translations into local languages of prospectuses and contract documents.

Misgivings

There have been some misgivings in the architectural *profession that individual* firms of architects will be swamped within the hugeness of the kind of contract which is emerging: anything from £50m. to £2,000m. If fortunate enough to land a commission they might at the same time lose their professional identity in the very vastness of the job. There are, indeed, few practices which *could face up to such a responsibility*, not through any fault of their own, but by the fact that with all their experience, such vast exercises have never come their way and the practices themselves are individually too small.

There are two possible solutions. One is that some means must be found to develop group-practices, ideally with one member practice having Middle-East experience. Such organisations would be well equipped to respond to the architectural requirements of the substantial consortia now operating in those areas in the fields of overall management, relying upon design and planning consultants for the operation of these particular skills. The other possibility is that small firms must be willing to forsake their well-earned pride in individual operations and join with the larger *practices* whose connections are already solidly established but need to swell their partnerships to cope with an expanding situation.

Study

In all this the role of the RIBA is of great importance. An urgent study has been commissioned to examine the whole question of bringing the quality of architectural services to the attention of the overseas market. There is in existence a client's advisory service which, it is hoped, might be promoted overseas, but such a promotion would need Government co-operation and finance. The matter of relatively high fees does not seem to be insuperable in one-off cases such as the Riyadh conference centre since *the basis of the architect's* employment is that he is working in the client's interest, a principle well-recognised and essential.

But when engaged as a consultant within a consortium dealing with a project worth hundreds of millions, the architect must subordinate himself to an agreed modification of fees. Architects shy of such an arrangement would be wise to overcome their reluctance.

APPOINTMENTS

J. Turner to be Dalgety chief executive

Mr. J. A. Turner has been appointed managing director of DALGETY from July 1 and will relinquish the office of vice-chairman. Mr. D. L. Donne will become deputy chairman. Mr. R. A. *Withers is retiring* as managing director of Dalgety but will continue as chairman of the group and of Dalgety U.K.

★

Professor Roland Smith has been appointed chairman of TREMLETTS HOLDINGS. Mr. D. J. Eccleston and Mr. J. M. Pike remain joint managing directors. Mr. F. Hawtin has resigned because of his other business commitments from the Board of Tremletts and its subsidiary F. A. Standen and Sons (Engineering). Mr. Eccleston becomes chairman of Standen.

★

Mr. Paul Fox has been appointed joint managing director of YORKSHIRE TELEVISION and *continues as director of programmes.* The other managing director, Mr. G. E. Ward Thomas, remains deputy chairman and *managing director of the Trident* Group. Three executive directors of Trident have been appointed assistant managing directors with specific responsibilities as follows: Mr. Fox (Yorkshire Television), Mr. Peter Paine (Tyne Tees Television) and Mr. Stuart Wilson (Tritel Enterprises).

★

Mr. John G. R. Tyndall, formerly chief executive of MILES DRUCE AND CO., has now resigned from *all directorships and positions in* the GKN and Miles Druce groups to pursue other interests.

★

Mr. Allan Waite, managing director of Arbrose Press, has been elected president of the LONDON PRINTING INDUSTRIES ASSOCIATION for 1975-76. Vice-presidents of the association are Mr. David Ensor and Mr. James Wood. Mr. H. H. Caldwell has been re-elected as honorary treasurer.

★

Mr. Jack Liquorish has been appointed managing director of the SMITHS FOOD GROUP, a division of General Mills (Europe). He has been sales director since 1970.

★

Mr. J. Cupples has been appointed to the main Board of PENTOS as an executive director. *He continues as chief executive* of Halls Homes and Gardens, a subsidiary.

★

Mr. J. D. Russell Taylor has been appointed group marine manager, SUN ALLIANCE AND LONDON INSURANCE GROUP, *in succession to Mr. S. J. Charlton*, who retires in September. Mr. Russell Taylor retains his title of underwriter and manager of the London Assurance Marine *Department and will be succeeded* as deputy group marine manager by Mr. A. E. Mann.

★

Mr. G. K. Lawrence is to retire from the Board of J. LYONS AND COMPANY and will relinquish his position as deputy chairman on July 1. He will become a consultant to the group.

★

The following directorship *appointments have been made by* BLAND PAYNE (AVIATION): Mr. H. Ambrose (executive), Mr. B. J. Morgan (assistant) and Mr. P. J. McGloin (assistant).

★

Lord Kings Norton has become chairman of LANDSPEED, a newly formed company to provide land transport consultancy services. Six university professors are involved with the company on research work.

★

Mr. Leslie George has joined the Board of the home improvements division of the BIRMINGHAM GUILD. Mr. Barry Heath has been made director responsible for works and distribution.

★

Mr. Alan Lorton has been appointed joint managing director of WESTWARE PLASTICS with Mr. Maurice Dwek, who is chairman.

★

The ROYAL TELEVISION SOCIETY *has appointed the following* officers for 1975-76 Mr. Peter Wayne (chairman), Mr. Ian Gardiner (vice-chairman), Mr. Tony Pilgrim (honorary secretary) and Mr. Barry Westwood (honorary treasurer).

BANK RETURN

	Wednesday June 4 1975	Inc. (+) or dec. (—) for week
BANKING DEPARTMENT		
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	21,532,392	— 2,759,782
Special Deposits	957,030,000	—
Bankers	314,946,262	— 14,064,546
Reserves & Other A/cs	393,776,805	+ 5,988,176
	1,701,237,465	— 10,856,152
ASSETS		
Govt. Securities	1,205,892,299	— 48,060,000
Advances & Other A/cs	266,835,973	— 1,160,948
Premises, Equip't & other Secs	163,412,794	— 1,740,866
Notes	45,626,222	+ 40,116,607
Coin	219,577	— 10,665
	1,701,237,465	— 10,856,152
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	5,750,000,000	+ 25,000,000
In Circulation	5,704,373,778	— 15,116,607
In Bank'g Dept.	45,626,222	+ 50,707,647
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs	5,140,091,864	— 9,500,187
Other Securities	598,893,036	+ 34,500,187
	5,750,000,000	+ 25,000,000

هكذا من الأصل

MONEY MARKET

Free credit supply

Bank of England Minimum Lending Rate 10% (Since May 2, 1975)

Day-to-day credit was in free supply in the London money market yesterday, and the authorities sold a moderate amount of Treasury bills to the Discount houses in order to absorb surplus funds. Short-term fixed-period rates showed little change in general, with the one-month sterling certificate yield ending at the previous 9½-9⅝ per cent., the three-month at 9⅞-9¾ per cent., against Wednesday's 9⅞-9¾ per cent., and the one-year 11⅛-10⅞ per cent., against 11⅛-11 per cent.

Banks had carried over a surplus from Wednesday, Government disbursements outweighed revenue transfers to the Exchequer, and there was a fall in the note circulation. The market faced a net take-up of Treasury bills, on the other hand, the authorities held maturing bank bills, and there was a small gilt-edged settlement running against the market's favour.

Discount houses paid 7½-8¼ per cent. for secured call loans on the earlier part, but found late balances at 2-5 per cent.—although the official bill sales seemed broadly sufficient to offset the surplus suggested by identified factors. In the inter-bank market, overnight loans were in a range of 3 per cent. to 9 per cent.

Rates in the table below are nominal in some cases.

June 5 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	5-9	—	—	—	9	2-8½	—	—	—
2 days notice	—	—	8⅞-9	—	—	—	—	—	—	—
†7 days or 7 days notice	—	8⅞-9⅛	9⅛-9¼	—	9⅝	10-10⅛	8½-9	—	—	—
One month	9½-9⅝	9¼-9⅜	9⅝	10-9½	9⅝-10¼	—	9	9⅜-9⅝	9½	10-11¼
Two months	9⅝-9⅞	9⅝-9⅞	—	10-9½	10-10⅛	—	9¼	9⅝-9⅞	9⅝-9⅞	10¼-11½
Three months	9⅞-9¾	9¾-10	9⅞-10	10-9½	10⅛-11	—	9⅝	9⅛-9⅞	9⅞-9⅝	10⅛-11¼
Six months	10¼-10⅛	10⅛-10⅝	10¼-10⅝	10⅞-10	—	—	—	—	10⅛-10⅜	10⅛-11⅛
Nine months	10⅞-10⅞	10⅝-10⅞	—	11¼-10⅝	—	—	—	—	—	—
One year	11⅛-10⅞	10⅞-11⅛	11⅞-12⅛	11⅜-11¼	—	—	—	—	—	—
Two years	12⅛-11⅝	11¼-12⅛	13¼-13⅜	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-13¾ per cent.; four years 14¼-14½ per cent. Five years 14¼-14½ per cent. ⊕ Bank bill rate in table is buying rate for prime paper. Buying rate for four-month bank bills 9¾ per cent.; and four-month trade bills 10¾-11¾ per cent. Approximate selling rate for one-month Treasury bills 9¼-9 5/16 per cent.; two-month 9¼-9⅝ per cent.; three-month 9¼-9 3/32 per cent. Approximate selling rate for one-month bank bills 9¾ per cent.; for two-month 9⅜-9 9/16 per cent.; and three-month 9 9/16-9¾ per cent.; for one-month trade bills 10-10¾ per cent.; two-month 10-11 per cent.; and three-month 10-11 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Bank Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4459 per cent.

Veba's Gelsenberg offer

DUSSELDORF, June 5.

VEBA WILL offer two Veba nominal DM50 shares for every three Gelsenberg shares to all remaining independent Gelsenberg shareholders, the Official Gazette said.

Veba already holds 96.1 per cent. of Gelsenberg's DM485m. capital following a previous share offer of four Veba shares plus DM6 for every five Gelsenberg, which ran from November 11 to January 24.

In the Gazette announcement, Veba said its new offer is better than an independent arbitration proposal of one Veba for every two Gelsenberg shares. The Veba shares offered will rank for dividend from the start of the business year in which the Veba/Gelsenberg merger is written into the register of companies and the shares are offered free of commission and Bourse tax.

The merger, fostered by the Government which now holds around 43 per cent. of the Veba/Gelsenberg group, is intended to create a viable international German oil concern.

Reuter

'Conservation should apply to stone walls'

Financial Times Reporter

Local authorities should be notified whenever the removal or destruction of a key landscape feature, such as a hedge or stone wall, is proposed, according to the Council for the Protection of Rural England.

Mr. Christopher Hall, the director, said yesterday that local authorities should advertise the intention on the planning register and give the public a chance to comment upon such a change.

Should it be decided that conservation was right the authority would seek agreement with the farmer or landowner and make compensation for any economic loss suffered.

Wear-and-tear 'gold' for Russia

Financial Times Reporter

PROF. IGOR KRAGELSKII, of the Soviet Union, has been awarded the 1975 tribology gold medal for his "outstanding contribution to the science and technology of friction and wear."

FORMER J. LYONS CHAIRMAN LEAVES £59,921

Mr. I. M. Gluckstein, president of the J. Lyons and Co. from 1961-68 and chairman between 1956-60, has left £61,748 gross, £59,921 net (duty £11,329) in his will. Mr. Gluckstein, who at the outbreak of the last war was managing director responsible for overall control of 250 Lyons teashops in London and the provinces, introduced the self-service system in 1941. He died last January, aged 84.

NEW "HIGHS" AND "LOWS" FOR 1975

Too numerous to name individually the 160 new 1975 "highs" recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 4 new "lows."

NEW HIGHS (160)

BRITISH FUNDS (1)
CORPORATION LOANS (5)
AMERICANS (1)
BANKS (6)
BEERS (3)
BUILDINGS (2)
CHEMICALS (5)
DRAPERY & STORES (5)
ELECTRICALS (6)
ENGINEERING (16)
FOODS (6)
HOTELS (1)
INDUSTRIALS (37)
INSURANCE (1)
MOTORS (4)
NEWSPAPERS (2)
PAPER & PRINTING (2)
SHIPPING (1)
SOUTH AFRICANS (2)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (43)
OILS (1)
TEAS (2)
MINES (2)

NEW LOWS (4)

ENGINEERING (1)
Auto-oil
TRUSTS (1)
Rolinco Sub. Shs.
OILS (1)
Burmah 8½pcLn.
MINES (1)
Roan Cons.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	48	—	5
Corpns., Dom. and Foreign Bonds	13	3	55
Industrials	351	310	1,057
Financial and Prop.	161	144	333
Oils	7	10	15
Plantations	2	12	34
Mines	7	67	52
Recent Issues	9	18	38
Totals	608	564	1,586

BASE LENDING RATES

A.P.I. International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%. 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

I.G. INDEX
GOLD 164-167

CORAL INDEX
Close 365-370

INSURANCE BASE RATES

†Atlantic Assurance	11½%
‡Cannon Assurance	9 %

† Address shown under Insurance and Property Bond table.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity Groups	Thursday, June 5, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Wed. June 4 Index No.	Tuesday June 3 Index No.	Monday June 2 Index No.	Friday May 30 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	129.84	+0.8	18.40	5.15	8.03	8.03	128.77	126.60	125.85	123.14	104.24	129.84 (5/6)	51.78 (6/1)	206.57 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	111.84	+0.5	19.79	6.95	7.73	7.72	111.17	109.80	108.30	106.31	103.53	117.40 (22/4)	45.11 (6/1)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	237.33	+1.1	16.78	4.00	8.84	8.84	234.83	231.55	232.56	228.60	172.78	251.61 (28/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	231.88	+1.5	16.15	5.86	8.93	8.92	228.58	224.44	232.76	213.49	199.13	231.88 (5/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	153.11	—0.4	22.54	7.06	6.68	6.68	153.70	151.74	153.71	151.14	109.27	159.79 (22/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	115.71	+0.6	18.00	6.90	7.72	7.72	115.03	112.62	111.60	109.96	84.81	115.71 (5/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	45.87	—0.3	13.12	7.79	14.09	14.09	44.03	43.77	48.62	48.14	34.76	48.98 (20/5)	20.11 (2/1)	136.70 (4/1/66)	19.95 (13/12/74)
8	Miscellaneous (23)	121.18	+0.7	20.05	5.43	7.21	7.21	120.54	118.28	117.15	115.98	94.47	121.18 (5/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	92.05	+1.2	19.87	6.65	7.55	7.53	90.97	88.59	87.28	84.91	92.29	92.05 (5/6)	38.59 (6/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	105.91	+1.5	19.24	4.84	7.53	7.52	104.32	100.87	98.18	94.60	111.51	105.91 (5/6)	44.28 (6/1)	257.41 (13/5/72)	42.85 (13/12/74)
11	Household Goods (15)	145.88	+0.7	29.33	7.58	4.92	4.92	142.84	141.53	141.05	140.06	146.55	146.90 (23/4)	64.55 (6/1)	265.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	49.63	+0.8	15.74	8.98	9.92	9.86	49.19	48.18	47.90	46.79	45.48	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	145.68	—	13.79	5.59	10.34	10.28	145.68	142.97	142.27	138.72	110.90	145.68 (5/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	159.07	+0.1	12.55	6.21	11.91	11.91	158.96	158.01	155.56	152.04	128.76	162.46 (27/5)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	172.70	—0.5	15.11	5.43	11.24	11.24	173.66	168.73	157.60	164.71	145.86	173.66 (4/6)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	157.71	—0.3	13.65	7.15	10.79	10.79	158.14	154.07	152.66	148.57	126.17	158.44 (27/5)	56.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	155.61	—0.4	13.24	5.02	10.27	10.22	156.30	152.64	153.24	147.93	110.61	156.30 (4/6)	62.05 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	148.65	—0.4	10.45	4.20	14.08	14.08	149.17	145.81	148.46	143.85	102.56	149.17 (4/6)	57.16 (2/1)	233.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	151.59	+0.3	15.78	6.51	9.54	9.54	151.04	147.56	147.60	144.81	140.38	151.59 (5/6)	55.08 (6/1)	260.29 (15/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	104.76	+1.2	23.03	6.48	6.41	6.41	103.53	101.30	100.08	99.75	76.59	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	131.87	+0.1	10.46	4.92	14.31	14.31	131.79	130.07	128.76	125.80	90.79	132.94 (20/5)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	142.60	—0.9	24.48	5.25	4.88	4.72	144.06	141.35	141.10	138.45	117.70	145.07 (27/5)	62.91 (6/1)	253.72 (17/9/66)	62.66 (11/12/74)
23	Tobacco (3)	196.69	+1.1	15.84	6.77	8.83	8.83	194.54	190.14	190.14	183.78	173.17	199.16 (10/3)	109.93 (6/1)	339.18 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	43.36	+0.5	29.13	7.11	4.80	4.80	43.14	42.32	41.68	41.20	40.18	43.61 (25/4)	20.98 (6/1)	136.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	188.51	+1.1	15.84	4.75	7.57	7.57	186.53	181.85	182.90	176.43	158.09	188.51 (5/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	96.79	—1.1	14.76	5.48	9.12	9.12	97.88	97.59	96.82	93.28	114.08	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	367.81	—0.8	24.79	6.42	4.94	4.81	370.90	382.22	384.73	375.47	345.81	401.84 (10/3)	194.58 (6/1)	517.00 (5/12/73)	90.80 (29/6/62)
28	Miscellaneous (46)	152.46	+0.1	17.31	6.39	8.55	8.55	152.36	149.82	149.44	146.89	124.50	152.46 (5/6)	60.39 (6/1)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	142.46	+0.3	18.32	5.72	8.78	8.75	141.96	139.48	138.89	135.38	113.71	142.46 (5/6)	59.19 (6/1)	220.17 (1/6/72)	59.01 (13/12/74)
30	OILS (4)	294.24	—0.8	25.01	5.16	4.29	4.00	296.47	292.00	291.65	278.77	225.30	296.47 (4/6)	105.83 (2/1)	431.66 (23/5/63)	87.23 (29/5/62)
31	500 SHARE INDEX	155.21	+0.2	17.61	5.64	7.60	7.44	154.93	152.21	151.70	147.43	123.04	155.21 (5/6)	63.49 (6/1)	227.98 (15/6/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	144.69	+0.2	—	5.01	—	—	144.44	142.82	142.04	136.52	112.80	148.45 (30/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	177.11	+4.1	20.89	4.45	7.12	7.12	170.20	166.50	163.88	155.59	136.85	177.11 (5/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	157.62	—0.5	—	7.62	—	—	158.41	157.98	156.88	153.07	131.92	169.27 (7/3)	84.13 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	100.91	+1.0	24.73	9.08	5.38	4.93	99.88	98.35	94.85	91.68	212.31	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	118.15	—0.4	—	5.76	—	—	118.58	116.20	115.16	111.05	95.00	127.97 (23/4)	44.88 (2/1)	194.46 (2/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	117.12	—1.1	—	5.65	—	—	118.45	117.69	115.91	111.82	74.31	123.90 (20/5)	44.47 (2/1)	156.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	210.14	+0.4	9.55	4.17	15.52	15.52	209.23	204.86	204.01	198.40	146.71	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	89.81	+1.9	—	6.96	—	—	88.12	86.19	85.98	83.17	98.65	94.97 (7/3)	31.21 (7/1)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (32)	189.48	—4.6	4.35	3.31	33.84	32.96	198.58	200.65	205.84	198.85	146.08	241.22 (22/4)	86.19 (7/1)	357.40 (8/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	74.82	+2.8	13.34	8.68	10.93	10.80	72.76	72.26	72.63	69.40	95.16	75.78 (23/4)	34.78 (10/1)	303.13 (13/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	177.29	+1.0	2.84	3.93	35.24	35.24	175.49	175.08	170.01	168.10	123.19	177.29 (5/6)	73.43 (6/1)	245.79 (25/4/72)	71.83 (13/12/74)
43	ALL-SHARE INDEX (650)	153.20	+0.2	—	5.41	—	—	152.84	150.39	149.68	145.31	120.05	153.20 (5/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	495.56	—0.9	10.47	6.58	11.31	10.88	500.29	499.50	498.94	503.77	381.26	525.43 (23/5)	281.66 (2/1)	555.37 (23/7/73)	84.68 (26/8/65)
45	Teas (10)	95.40	—0.1	20.19	8.39	6.50	5.88	95.47	95.06	94.97	93.97	107.64	95.47 (4/6)	75.75 (10/1)	121.47 (1/6/72)	59.72 (17/10/74)
46	Coppers (3)	415.65	—2.5	47.25	18.17	2.12	2.12	426.49	426.49	437.69	462.90	401.10	467.74 (27/3)	374.38 (22/1)	567.78 (15/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	136.85	—2.4	8.91	3.86	12.24	12.20	140.24	139.59	139.94	141.34	98.84	141.34 (30/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	111.37	—1.2	9.16	7.44	14.07	12.08	112.69	114.49	112.28	112.46	92.13	114.49 (3/6)	58.91 (8/1)	125.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	238.68	—0.9	14.66	3.80	8.67	8.65	240.75	238.02	239.96	241.08	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., June 5 Index No.	Thurs., June 5 Yield %	Wed. June 4	Tuesday June 3	Monday June 2	Friday May 30	Thurs. May 29	Wed. May 28	Tues. May 27	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.55	14.65	14.62	14.73	14.93	14.92	14.92	15.14	13.83	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.65	13.61	47.48	47.50	47.50	47.10	47.25	47.60	46.95	52.05	53.09 (20/3)	38.27 (3/1)	115.48 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.16	15.94	46.15	46.15	46.14	45.90	45.81	45.81	45.64	48.68	50.68 (21/3)	37.01 (3/1)	113.43 (23/10/65)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	42.47	16.30	42.51	42.66	42.66	42.58	42.76	42.85	42.85	45.46	46.57 (25/3)	35.35 (3/1)	114.41 (13/9/65)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	59.17	15.92	59.06	59.01	58.93	59.09	59.20	59.35	59.25	59.79	66.98 (20/5)	48.35 (3/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 15p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Northern Developments has been replaced by Orme Developments (Contracting and Construction).

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv (20p)	12	......	Gardiner Sons	11	......	Sheff. Refrshmt	130	......
Ash Spinning	37	......	Gardner (L.)	60	......	Shiloh Spinn	25	......
Bertam	16	......	Graig Sh'p (£1)	470	......	Sindall (Wm.)	45	......
Brady (G.) "A"	54	......	Hallam Sl. (10p)	9	......	Vincent (H.)	85	......
Br'wtrEst. (50p)	155	......	Higsons Brew	97	......	IRISH		
Clover Croft	35	......	Holt Joseph 25p	180	......	Alliance Gas (£1)	40	+4
Craig & Rose £1	512	......	IOM Steam £1	110	......	Carroll (P.J.)	118	......
Dundee Ice £1	295	......	Kleen-E-Ze	30	......	Clondalkin	84	—2
Dyson (R. A.)	55	......	Lovell's Ship £1	150	......	Concrete Prods.	72	......
Ellis & McHdy	57	......	Nthn Goldsm'th	70	......	Goodbody (£1)	58	......
Evans Frdk (10p)	31	......	PMA	35	......	Heiton (Hldgs)	51½	......
Evered	13	......	Pearce C.H.	60	......	Irish Distillers	67	......
Fife Forge	48	......	Peel Mills	18	......	Irish Wire Bd.	40	......
Finlay Pkg (5p)	16	......	Richards (10p)	9½	......	Jacob	55	......
Fr'st & Reed (50p)	88xd	......	Robb Cal. (5p)	46	......	Sunbeam	13	......
			Sever Con 12½p	9	......	Unidare	65	......

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	12	302	+ 5	302	118
Midland Bank	£1	12	292	+10	305	122
Barclays Bank	£1	11	325	+10	325	112
Land Secs.	50p	11	180	— 1	251	79½
MEPC	25p	11	128	—	231	64
Unilever	25p	10	404	— 4	408	170
Charter Cons.	25p	9	193	—	205	87
Commercial Union	25p	9	183	— 1	194	72
De Beers Defd.	R0.05	9	291	— 7	312	161
P & O Defd.	£1	9	106	—	128	59½
Reed Intl.	£1	9	271	+ 3	297	124
BATS	25p	8	338	+ 3	338	164
Burmah Oil	£1	8	32	+ 4	100	27
Cons. Gold Fields	25p	8	262	—10	290	188
Shell Transport	25p	8	335	+ 3	341	118

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30

"Calls" were taken out in Marks and Spencer, Furness Withy and Anglo Continental. A "put" was done in Croda International, while "doubles" were arranged in Amalgamated Investment Property, Imperial Group, Barclays Bank and Croda International.

Industrials		Grand Met.	9	Slater Walker	10	Mines	
		G.U.S. 'A'	20	Spillers	7	Anglo Amer.	50
A. P. Cement	20	Guardian	20	Tesco	6	Broken Hill Pty.	75
Assoc Leisure	5	G.K.N.	28	Thorn 'A'	20	Cast	9
Barclays Bank	25	Hawker Sidd.	50	Tube Invest.	30	Charter Cons.	22
Beecham	28	House of Fraser	10	Unilever	40	Chart'rh'll Fin.	8
Boots Drug	24	Hudson (Wilms)	5	Utd. Drapery	12	Cons Gold	25
Bowaters	20	I.C.I.	24	Vickers	16	De Beers Def.	25
B.A.T.	45	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	1¼	I.C.L.	7			Great Boulder	12
British Oxygen	6	Inveresk	10	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	30	E.P.	11	Kloof	140
Courtaulds	14	"Lofs"	7	Int. Europe	7	Lonrho	19
Debenhams	11	"Mams"	9	Land Securities	22	Loraine	35
Distillers	15	Marks & Sp'ncer	25	Peachey	7	Metals Explor.	8
Dunlop	8	Midland Bank	32	Town & City	6	Poseidon	55
Eagle Star	16	Nat'l West. Bank	30	Town & Comm.	7	Pres. Steyn	275
E.M.I.	20	P & O Dfd.	15			Rio T. Zinc	40
First National	5	Plessey	10	Oils		Welkom	35
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	West Areas	75
Gen. Accident	15	Rank Org. 'A'	25	Burmah Oil	5	Western M'ng.	15
Gen. Electric	14	Reed Int'l.	28	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

FOOD PRICE MOVEMENTS

	June 5 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	820	820	800
British A.1 per ton†	815	815	795
Irish Special per ton†	815	815	795
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton¶	815	815	795
BUTTER (packet)			
NZ per 20 lbs†	—	—	—
English per cwt†	41.14-41.15	40.72-41.16	40.72-41.15
Danish salted per cwt†	41.27-42.50	42.10-42.50	41.72-42.50
CHEESE§			
English cheddar white rindless 40-lb per cwt	43.15	43.15	43.15
NZ per 20 kilos	15.61	15.61	15.61
EGGS*			
Home-prod. Standard	2.20-2.30	—	2.60-2.90
Large	2.55-2.80	—	3.00-3.30
	June 5 per pound	Week ago per pound	Month ago per pound
BEEF			
Scotch killed sides (ex KKCF)	35.0—37.0	35.0—37.5	34.0—36.0
Eire forequarters	22.0—25.0	24.0—25.0	25.0—26.5
Argentine chilled rumps	—	—	—
LAMB			
English	36.0—39.0	40.0—42.0	40.0—44.0
NZ 2s-Ds	30.0—31.0	30.0—31.0	29.0—29.5
PORK (all weights)	24.0—35.0	24.0—35.0	23.0—34.0
MUTTON			
English ewes	10.0—11.0	12.0—13.0	12.0—13.0
POULTRY			
Broiler chickens	24.0—26.0	25.0—26.0	23.0—26.0

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ¶ For delivery May 31-June 7. ** FMC prices.

INSURANCE, PROPERTY, BONDS

			Yield %	
Abbey Life Assurance Co. Ltd. 1-3, St Paul's Churchyard, E.C.4. 248 9111				
Abbey Eq. June 3	28.5	30.1	......	—
do. Acc Unit June 3	22.0	23.4	......	—
do. Pr. June 3	105.2	111.7	......	—
do. Acc. Unit Jun 3	99.4	105.6	......	—
do Pen. Unit Jun 3	106.1	112.7	......	—
Selective In Jun 3	59.9	63.6	......	—
do. Pen Unit Jun 3	54.0	57.4	......	—
Conv Unit Jun 3	105.1	110.7	......	—
Money Fd. Unit	99.6	104.9	......	—
Pension Sec. Bond	100.7	106.0	......	—
Pension Man Bond	107.7	113.4	......	—
Albany Life Assurance Co. Ltd. 31, Old Burlington St., W.1. 01-437 5962				
G'td. Mon Fd.	95.4	101.3	......	—
Do. Accum.	96.3	101.2	+0.1	—
Equity Fund	125.8	132.5	—1.0	—
Do. Accum.	127.1	133.8	—1.0	—
Property Fund	95.9	101.0	—0.3	—
Do. Accum.	96.8	101.9	—0.1	—
Fixed Int. Fund	96.7	101.8	......	—
Do. Accum.	97.6	102.7	+0.1	—
M'ple Inv. Fund	116.2	122.3	—0.6	—
Do. Accum.	116.8	123.0	—0.5	—
G't'd Mons. Pens	96.3	101.3	+0.1	—
Do. Accum.	97.2	102.3	+0.1	—
Prop. Pen. Fund	96.9	102.0	—0.1	—
Do. Accum.	97.8	103.0	......	—
Fixed Int. Pen.	97.6	102.7	+0.1	—
Do. Accum.	98.6	103.7	+0.2	—
M'ple Inv. Pens	121.2	127.5	—0.8	—
Do. Accum.	122.4	128.8	—0.7	—
AMEV Life Assurance Ltd. Pavilion Bldgs., Brighton. 0273 21917				
Triad Managed Bd	107.5	113.5	......	—
Atlantic Assurance Co. Ltd. Atlantic Hse., Billingshurst. B'hurst 3451				
All W'ther Ac Uts	108.7	114.4	......	—
All Weather Cap	107.2	112.8	......	—
Inv'stm't Fd. Uts	112		......	—
Pension Fd. Units	97.0		......	—
Conv. Pension Fd.	102.4		......	—
Man. Pension Fd.	102.4		......	—
Prop. Pension Fd.	102.4		......	—
Barclays Life Ass. Co. Ltd. 252, Romford Rd., E.7. 01-535 1211				
Barclaybonds	83.8	88.3	......	—
Current unit value June 4. *Corrected change.				
Brandts Ltd. Fenchurch St., E.C.3. 01-626 6599				
Brandts Exempt	86.0	89.0	......	8.49
Canada Life Assurance Company High St. Potters Bar, Herts P. Bar 51122				
Growth Fd. Jun. 2	45.0		......	—
Retir'mt Fd. May 8	95.6		......	—
Cannon Assurance Ltd. Olympic Wy Wembly HA9 0NB. 01-902 8876				
Equity Units	£12.00		+0.14	—
Property Unit	731		......	—
Exec. Bald. Units	960		+3	—
Exec. Eq'ty Unit	812		+10	—
Cornhill Insurance Co. Ltd. 32, Cornhill, E.C.3. 01-626 5410				
Capital May 15	105.5		......	—
GS Special May 15	40.0		......	—
Mn Gth Bd May 20	119.5	126.0	......	—
Crescent Life Ass. Co. Ltd. Braywick Hse, Mdnhd. Berks. Mdnhd 34635				
Cres Pin'd Inv. Fd.	59.4	63.7	......	—
Crusader Insurance Co. Ltd. Bowring Bldgs., Tower Pl., EC3. 01-626 8031				
Gr'th Prop. June 3	51.2	56.8	......	—
Eagle Star Insce./Midland Assce. 1, Threadneedle St., E.C.2. 01-588 1212				
Eagle/Midl. Units	36.3	37.7	+0.1	6.69
General Portfolio Life Ins. Co. Ltd. 60 Bartholomew Ct., Waltham X. WX 31971				
Portfolio Fund	104.85		......	—
Growth & Sec. Life Ass. Soc. Ltd. United House, W.11. 01-229 8156				
Flexible Fortune	100.0p		......	—
Landbank Secs.	54.94		......	—
Landbank S'cs A	97.4	100.0	......	—
G&S Super Fund	719.66		......	—
Guardian R.E. Royal Exchange, E.C.3. 01-283 7107				
Property Bonds	128.4	133.6	......	—
Pen Man. Fd. Uts.	97.4	102.5	......	—
Hambro Life Assurance Limited 7, Old Park Lane, London, W.1. 499 0031				
Fixed Int. Fund	106.1	111.8	+0.2	—
Hambros Equity	120.2	126.5	+1.8	—
Property	116.4	122.6	+0.2	—
Managed Cap.	105.9	111.5	+1.2	—
Managed Acc.	119.3	125.6	+1.3	—
Pen Prop. Cap.	131.0	137.9	......	—
Pen Prop. Acc.	151.7	159.7	......	—
Pen Man Cap.	135.7	142.8	......	—
Pen Man Acc.	157.1	165.4	......	—
Pen F.I. Cap.	107.1	112.8	......	—
Pen F.I. Acc.	112.3	118.4	......	—
Pen B.S. Cap.	99.8	105.1	......	—
Pen B.S. Acc.	102.1	107.5	......	—
Harvest Assurance Group 49, Church St., Maidstone, Kent. 0622 59681				
Annuity Units	123.4		......	—
Managed Funds	45.38	47.68	......	—
Hearts of Oak Benefit Society Euston Road, London, N.W.1. 01-387 5020				
Hearts of Oak	29.0	30.8	......	—
Hill Samuel Life Ass. Ltd. NLA Twr., Addiscombe Rd., Croy. 686 4355				
Hill Sam Prop Unit	119.1	125.1	......	—
Do. Man. Unit	115.1	121.2	+1.1	—
Do. Money Fund	101.7	107.1	......	—
Imperial Life Ass. Co. of Canada Imperial Life House. Guildford 71255				
Gro'th Fd. My. 30	47.7	51.9	......	—
Pen Gth. Fd. My 30	40.2	43.7	......	—
The Individual Life Ins. Co. Ltd. Individual Hse., 43, South St., Eastbourne BN21 4UT. Eastbourne 36711				
Fixed Int. Units	117.6	124.1	......	—
Equity Units	102.0	107.4	......	—

			Yield %	
Life Assur. Co. of Pennsylvania 39-42, New Bond St., W1Y 0RQ. 01-493 8395				
LACOP Units	77.8	81.7	......	—
Lloyd's Life Assurance Ltd. 12, Leadenhall St., EC3M 7LS. 01-623 6621				
Mlt. Gth Fd My 31	1.38699			—
Opt4 Eq Fd June 5	97.7	102.9	+2.7	—
Opt4 Prop. June 5	103.0	108.5	+0.4	—
Opt4 Hi Yd June 5	107.8	113.5	—0.3	—

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Narrowly mixed after early fall

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 5.

WALL STREET closed narrowly mixed to-day overcoming an early loss. The Dow Jones Industrial Average closed 2.19 up at 842.115. The NYSE All Common Index was up 4 cents at $49.28.

Declining issues led advances by 731 to 690. Volume totalled 21.61m. shares compared with 24.9m. Wednesday.

Analysts found no obvious reason for the late strength. Some attributed it to anticipation of a cut in the prime interest rate to-morrow by First National City Bank. The bank was expected to trim from 7 per cent. to 6¾ per cent.

Other analysts said a late bounce generally followed buying in a few energy issues. The initial repression was caused by speculation that world oil prices will be raised in the autumn.

Coastal States Gas producing the most active NYSE issue, climbed $1½ to $10⅞. Texas International rose $⅞ to $9½. BP, also active, closed unchanged at $12⅞ on 244,000 shares.

General Dynamics off $⅞ at $49⅞ after being down 2 points in early trading. It was reported from Brussels that a major contract may be awarded to General Dynamics on Saturday for sale of its FY-16 fighter plane. Several other Western European nations are expected to follow the Belgian move.

Pharmaceuticals were mostly lower with Merck falling $⅞ to $84⅞, Bristol-Myers $1 to $66⅞, Abbotts Labs $1⅞ to $73⅞ and G. D. Searle $⅞ at $21. There were press reports suggesting a price retreat in bulk antibiotics because of falling demand and rising capacity.

The American SE Market Value Index moved up 0.67 at 90.71, with advances outnumbering declines by 335 to 294. The volume was 3.153m. shares against 3.158m.

Brascan "A" were the most active issue, up $⅞ to $12⅞ on a volume of 157,200 shares.

losing ground on Wednesday. The half-point cut in bank rate improved sentiment.

Paribas featured in Banks. Chemicals were mixed. Valldurec gained in Steels, while Oils were firm.

Foreign Stocks were mixed and ITT fell in Americans. Germans, Dutch and Golds eased, while International Oils firmed.

BRUSSELS—The market was mixed in very quiet trading.

FN were depressed by profit-taking and the lack of a decision by Belgium to buy the American F-16, for which FN would build the engines. Cometra, Arbed and Traction were each also easier.

German and French stocks held steady, but Americans eased in line with the overnight Wall Street trend.

AMSTERDAM—The market was generally firmer in quiet conditions, with Hoogovens easing slightly against an otherwise firmer trend in Dutch Internationals, led by Unilever.

HAL weakened against a firmer trend in Shippings, as did Middenstandsbank in higher Banks. Insurances were mixed and Investment Funds and Plantations were generally firmer.

GERMANY — Shares closed mixed after a weak opening was followed by a general upturn on small demand led by foreign purchasers in thin markets.

Siemens at one stage rose DM2.60 on a 100 share deal before dropping back slightly to finish DM0.40 up. Most leading shares were around Wednesday's levels although Deutsche Bank fell DM1.1.

Public Bond issues again firmed with gains of up to DM0.40, although some issues eased up to DM0.20. The new 660m. eight-year 8 per cent. Federal Loan again traded before issue at its official 98¾ price. Mark foreign loans were maintained.

SWITZERLAND — Markets generally firmed in quiet trading.

Swissair Bearer and Registered regained all Wednesday's losses, while major Banks were steady to slightly higher. Among irregular Financials Juvena Bearer and Participation Certificates continued lower, while Oerlikon-Buehrle and Presse-Finanz each rallied.

COPENHAGEN—Closed.

OSLO—Banks tended slightly weaker in an otherwise quiet market.

VIENNA—Shares were quietly steady in thin trading.

MILAN—The market closed irregularly lower in featureless trading.

Fiat, Montedison, Pirelli E C, Snia Viscosa and Assicurazioni Generali each ended lower, while Generale Immobiliare, Olivetti and Pirelli Spa each posted slight gains.

HONG KONG — Higher in slightly decreased trading.

Hong Kong Bank were up 30 cents to $HK15.90, Hong Kong Land, 5 cents to $HK7.05, Wheelock "A," 5 cents to $HK3.75, Jardine, 10 cents to $HK25.00, China Light, 20 cents to $HK14.50 and Gammon, 40 cents to $HK21.50.

TOKYO—Higher.

The market continued its slow advance, with active demand for low-priced shares, despite increasing profit-taking.

The market volume rose to 180m. (120m.) shares.

Dealer interest switched to "low-priced" shares such as Collieries and Non-Ferrous Metals from "higher-priced" issues.

Hokkaido Colliery added Y10 while Sony lost Y50 to 3400 on profit-taking.

JOHANNESBURG—Golds were off lowest levels in quiet trade, as the market picked up on noon bullion trends with support generally on local account.

Anamint were 50 cents up at R31.50.

AUSTRALIA — Markets fell across the board under sustained profit-taking.

BHP fell 18 cents to $A7.10 after a peak of $A7.34 on Wednesday. CSR fell 15 cents to $A4.60 and Bank of NSW 30 cents to $A6.64. Ez Industries, Hooker, Tooth, Myers, Coles and Jennings lost ground. Conatco and Cub ended lighter.

Metals Exploration rose nine to 42 cents on news that the Greenvale nickel project has been rescued.

Golds were generally little changed, but Coals were lower with AAR losing five cents to $A1.40.

Further overseas interest was seen in key Mining issues with large parcels of CRA, North BH and MIM changing hands at prices higher than usual closing levels. Oil stocks tended higher.

OTHER MARKETS

Canada irregular

Canadian stock Markets closed mixed after moderate trading. Western Oils moved solidly higher while golds held to a modest gain.

The Industrial average index was 0.15 off at 187.37, but Golds moved up 4.13 at 403.49 and Western Oils rose 3.50 at 154.27. Base metals shed 0.06 at 73.65.

United Westburne Industries picked up $2 to $9 late in the day. Earnings figures for fiscal 1975, currently being prepared, were "improved."

PARIS—Trading was extremely quiet with individual stocks frequently firming somewhat after losing ground on Wednesday. The half-point cut in bank rate improved sentiment.

Indices

NEW YORK

DOW JONES AVERAGES

	Home Bonds	Transport	Industrial	Utilities	Trading volume 000's
June 5	67.77	[illegible]	842.15	82.82	21,610
4	[illegible]	[illegible]	839.96	83.01	24,940
3	[illegible]	[illegible]	846.14	82.37	[illegible]
2	[illegible]	162.04	846.61	80.71	[illegible]

[illegible — further rows of Dow Jones Averages, 1975 High/Low, Since compilation]

IND. DIVIDEND YIELD p.c.

May 30	May 23	May 31, 1974
4.65	4.65	4.58

N.Y. SE ALL COMMON INDEX

[illegible]

RISES AND FALLS

[illegible]

AMERICAN SE MARKET VALUE INDEX

[illegible]

U.S. STOCK INDICES STANDARD AND POORS

		*Industrials	†Composite
June	5	104.17	92.69
	4	104.07	92.60
	3	104.49	92.59
	2	104.27	92.56
May	30	102.65	91.15
	29	100.94	89.66
	28	101.06	89.71
1975 High		104.49 (3.6)	92.59 (3.6)
1975 Low		77.71 (8.1)	70.74 (8.1)

* 425 Industrials. † 325 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	June 4 1975	May 29 1975	June 5 1974
Ind. Ord. yield pc...	3.64	3.75	3.86
Ind. Ord. p/e ratio	11.28	10.43	11.12
Long-term Govt. Bds. per cent.	5.91	5.85	6.60

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Changes on day
CST St. Gas	327,000	10⅞	+1½
Brit. Pet.	241,000	12⅞	—
Am. Tel. Tel.	175,800	49⅞	—⅞
Southern Co.	169,000	12⅞	+⅞
Cont. Data	162,700	22⅞	+⅞
Gen. Tel. Tel.	159,700	23⅞	+⅞
Gen. Instr.	154,800	17⅞	+⅞
Litton	146,000	9	+⅞
Loe. Ld. Exp.	141,300	29⅞	+1½
Searle Gd.	135,500	21	—⅞

TORONTO

INDUSTRIAL INDEX

June 5	June 4	1975 High	1975 Low
187.37	187.52	189.88 (14.3)	158.41 (2.1)

MONTREAL

INDUSTRIAL INDEX

June 5	June 4	1975 High	1975 Low
197.37	196.92	197.95 (14.3)	153.95 (2.1)

COMBINED INDEX

June 5	June 4	1975 High	1975 Low
190.94	199.61	191.02 (14.3)	156.02 (2.1)

JOHANNESBURG

	June 5	June 4	1974-75 High	1974-75 Low
Industrials	209.1	209.4	210.3 (17.2)	152.0 (23.1)
Golds	307.3	307.7	379.1 (2.1)	235.2 (15.4)

1958=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks...	June 5	May 29	May 23
On Dividends	7.02	7.13	7.58
On Earnings	13.49	13.67	14.44

SYDNEY ALL ORD. INDEX

June 5	June 4	High 1975	Low 1975
387.27	383.55	387.27 (5/6)	245.86 (9.1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

June 5	June 4	High 1975	Low 1975
327.16	325.57	332.98 (22/5)	268.24 (10/1)

HONG KONG INDEX ø

June 5	June 4	High 1975	Low 1975
332.55	330.50	336.25 (21/5)	160.42 (3/1)

SINGAPORE INDEX §

June 5	June 4	High 1975	Low 1975
230.96	235.11	268.69 (11/3)	153.26 (2/1)

EUROPE

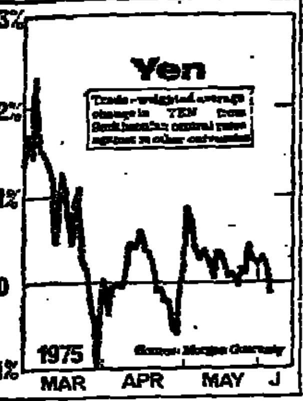
	June 5	Previous	1975 High	1975 Low
Belg'm (a)	110.52	110.44	111.51 (2/6)	89.01 (2/1)
Denm'k (b)	(c)	90.54	90.76 (22/5)	73.06 (15/1)
France (d)	67.2	66.9	72.0 (23/4)	51.70 (3/1)
Germ'y (e)	669.1	668.9	73[illegible] (15/4)	573.5 (9/1)
Holland (f)	93.2	101.1	107.5 (6/5)	85.8 (2/1)
Italy (g)	96.66	96.13	[illegible] (21/5)	66.9[illegible] (8/1)
Spain (h)	101.19	101.21	11[illegible] (22/4)	76.98 (10/1)
Sweden (k)	366.85	367.75	3[illegible] (18/5)	310.5 (3/1)
Switz'rl'd (m)	271.0	262.6	28[illegible] (6/5)	[illegible] (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73 (d) Paris Bourse 1961 (e) Commerzbank December, 1953 (f) Amsterdam Industrial 1970 (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ø Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed † Adjusted.

Slight £ gain

Sterling was a little stronger against major currencies in general in the foreign exchange market yesterday, with its trade-weighted average depreciation in terms of ten units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) narrowing on balance to 24.6 per cent., from the previous evening's 24.7 per cent., a level held in early dealings (yesterday) and at noon. Activity was moderate. The pound gained 40 points on the day in terms of the U.S. dollar, at $2.3220-2.3230—opening at $2.3160-$2.3170, and touching $2.3155-2.3165 in early dealings, but rising to $2.3230-2.3240 at one stage in the later afternoon. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement (as calculated on noon rates in New York by Morgan Guaranty) widened a little, to 7.06 per cent., from 7.05 per cent., while sterling's fall on a similar basis narrowed to 29.86 per cent., from 30.06 per cent.

The dollar was weaker against a number of major currencies individually. The German mark, for instance, gained 27½ points on the day to DM2.3390, and the Swiss franc 62½ points, at Frs.2.4912½, while the Canadian dollar improved 14 points to 97.43½ U.S. cents. French francs, which have commanded considerable attention in the market lately, weakened slightly, however, by 12½ points to Frs.4.0052½, against the background of the cut from 10 per cent. to 9½ per cent. in the French Bank Rate, while the Japanese yen lost 87½ points, at Y202.12½ with its weighted change since the Washington Agreement on the Morgan Guaranty 14-currency basis swinging to a fall of 0.14 per cent., from an appreciation of 0.21 per cent.



Gold rose $⅞ an ounce on balance in London to $164¾-165¼, in modest turnover. The metal opened at $164-165, about its lowest of the day, and ended around its highest.

The Krugerrand ended in places at a premium of 18 per cent. over its gold content, in domestic business, against 17½ per cent. overnight, while in international dealings it closed at a premium of 3⅞ per cent., against 3⅞ per cent.

EXCHANGE CROSS-RATES

June 5	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.3430-50	58.40-60	6.49-.51	5.42-.44	97.45-.60	93.28-94.05
N. York	42.72-76	—	24.97-25.0	2.565-270	2.3218-.223	41.69-72	40.10-40.14
Paris	170.65-.040	4.0012-.011	—	11.454-.4755	9.275-.285	1.6 42-.52	160.5-9.0
Brussels	14.27-.95	34.39-.94	2.69-.74	—	80.86-81.05	14.20-.56	13.97-14.05
London	5.4275-.375	2.40175-.425	9.2875-.75	81.00-81.20	—	2.5575-.75	[illegible]
Amsterdam	102.49-.54	2.3220-.230	59.99-.040	5.674-.897	5.554-.163	—	96.230-.340
Zurich	106.41-.59	2.4315-.55	62.19-.29	7.1275-.425	5.7865-.940	1.3 [illegible]	—

[illegible]

EURO-CURRENCY INTEREST RATES*

[illegible]

GOLD MARKET

	June 5 1975	June 4 1975
Gold bullion (a fine ounce)		
Close	$164¾-165¼	$164-166
Opening	$164-166	$165-166
Morning fix'g	$164.50 (£70.972)	$165.90 (£71.509)
Afternoon fix'g	$164.50 (£70.887)	$165.75 (£71.506)
Gold coins (domestically)		
Krugerrand	$194-196 (£83½-84½)	$193-195 (£83¼-84¼)
New sov'r'gns	$60-62 (£25¾-26¾)	$59-61 (£25½-26½)
Old sov'r'gns	$58-60 (£25-26)	$58½-60½ (£25¼-26¼)
Gold coins (int'n'tn'ly)		
Krugerrand	$169½-171½ (£73-74)	$169-171 (£72¾-73¾)
New sov'r'gns	$50½-51½ (£21¾-22¼)	$50½-51½ (£21¾-22¼)
Old sov'r'gns	$50½-51½ (£21¾-22¼)	$50-51 (£21½-22)
$20 Eagles	$246-250	$243-248
$10 Eagles	$120-125	$120-125
$5 Eagles	$90-95	$90-95

FOREIGN EXCHANGES

June 5 1975	Bank Rates %	Market Rates Day's Spread	Close
New York	6	2.3155-2.3240	2.3220-2.3230
Montreal	8¼	2.3790-2.3845	2.3825-2.3835
Amsterdam	5	5.55-5.58	5.58¼-5.57¼
Brussels	8½	80.80-81.30	81.00-81.20
Copenh'gen	8	12.57-12.63	12.59-12.60
Frankfurt	4½	5.42-5.44½	5.42½-5.43½
Lisbon	6½	58.10-58.60	58.25-58.45
Madrid	†7	129.00-129.60	129.40-129.25
Milan	7	1.443-1.449	1.447-1.448
Oslo	5½	11.36-11.39	11.38-11.39
Paris	9½	9.27-9.31	9.29-9.30
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

[illegible]

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—93⅞% (100%).

NEW YORK

Stock	June 5	June 4
Abbott Labs	73⅞	[illegible]
Aetna Life & Cas.	27	26¾
[illegible]		

Stock	June 5	June 4
Rapid America	6¼	6¼
Raytheon	53¾	54
RCA	19¾	20
Reading	3⅞	3½
Republic Steel	29⅞	30¼
Revlon	80	79½
[illegible]		

Stock	June 5	June 4
Zenith Radio	24⅞	25
Chile 5% 1993	†85½	85½
Peru 5% 1993	19	†95
U.S.Treas.5½%1974	†100.08	†100.00
U.S.Treas.4½%1975	†86¼	†86¼
U.S.Treas.[illegible]	†81	†81
[illegible]		

CANADA

[illegible]

GERMANY ◆

June 5	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	80.1	+0.1	—	—
Allianz Versich.	460	—5	17	1.8
B.M.W.	223	+0.5	14	3.1
BASF	139.9	+0.4	17	6.1
Bayer	119	......	17	6.7
Bayer Hypo	311	—1	18	2.9
Bayer Vereinsbk.	316	+1	18	2.6
Commerzbank	197.6	—0.5	17	4.3
Contl. Gummi	76.3	+0.3	—	—
[illegible]				

AMSTERDAM

[illegible]

PARIS

[illegible]

MILAN

[illegible]

TOKYO ¶

[illegible]

Source Nikko Securities, Tokyo.

STOCKHOLM

[illegible]

SWITZERLAND ◆

[illegible]

AUSTRALIA

[illegible]

BRUSSELS

[illegible]

OSLO ◆

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

JOHANNESBURG

[illegible]

SPAIN ▼

[illegible]

NOTES: [illegible]

STOCK EXCHANGE REPORT

Glaxo rumours lead to strong rise in late trade

Index up 6.3 at 365.3 – Setback in Gold shares

Account Dealing Dates

*First Declara- Dealings	tions	Last Dealings	Account Day
May 19	May 29	May 30	Jun. 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24
Jun. 16	Jun. 26	Jun. 27	Jul. 8

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets were featured yesterday by a late sharp upward movement in leading Industrials on a flurry of buying and marking up by jobbers following talk of an imminent "rights" issue on highly favourable terms from Glaxo. The extent of the late improvement was mirrored in the FT 30-share index which, from an unaltered 359.0 at 3 p.m., finished the day with a gain of 6.3 at 365.3, a fresh peak for the year. Rises in the leaders ranged to 6 and occasionally more with Glaxo jumping 21 to 460p. The late, mostly speculative, demand was also encouraged by increasing hopes of a convincing "Yes" vote in yesterday's EEC referendum. Prior to the "after-hours" dealings, the equity leaders had fluctuated within narrow limits with business almost down to a trickle and second-line equities were mostly neglected. Rises, however, were in a narrow majority over falls in FT-quoted Industrials. Official markings of 7,717 compared with 7,539 on Wednesday and 6,090 a week ago.

A sharp fall in the dollar premium prompted defensive marking down of Gold mining shares which closed with substantial losses. The Gold Mines index dropped 21.5 to 392.9.

Short Gilts rise

Contrary to expectations, a good business developed in short-dated Gilt-edged helped, to some extent, by the exhaustion of unofficial "tap" supplies of Treasury 3 per cent., 1977, up 1/16 at 87 11/32. Other low-coupon issues joined in the movement and Electric 3½ per cent., 1976/79, responded sharply to close 1/16 higher at 78 1/16. The mediums and longs saw demand early, including further switching into the long "tap," Treasury 12¾ per cent., 1993, again unchanged at 90¼, which brought gains of ½ tapering to ¼ at the longer end.

This week's downward momentum in the investment currency premium gathered pace as buyers initially ignored renewed modest offerings. Although business eventually broadened at the lower rates, the market remained highly sensitive and the premium went as low as 91½ per cent. before rallying to close a net 6½ points down at 93¼ per cent. Yesterday's SE conversion factor was 0.5812 (0.5539).

A late flurry of buying helped Canada reflected easier transatlantic advices and fell 1¼ to £32¼.

Banks bought late

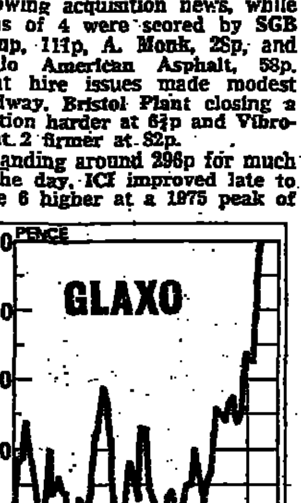
A late flurry of buying helped bolster already quietly firm Home Banks. Exaggerated by stock shortage, closing gains stretched to double-figures with National Westminster, 13 higher at a 1975 "peak" of 275p. Lloyds ended 12 dearer at 265p and Barclays and Midland were both 10 higher at 325p and 292p respectively. Bank of Scotland rose another 10 at 295p. Overseas issues were featured by Bank of New South Wales, which declined 45 to 675p in sympathy with the investment dollar premium. A "market" tip attracted buyers to Anglo-Continental, which rose steadily to close 10 better at 59p, after 60p. Kleinwort Benson were also popular in Merchant banks, firming 7 to 114p. The chairman's profits' warning at the AGM, however, depressed Slater Walker, which closed 5 cheaper at 81p.

Trading in Insurances failed to match Wednesday's volume and at the close prices were generally a shade firmer for choice. Pru nil-paid "new" shares hardened a penny more to 25p premium, while Sun Alliance "new" ended unaltered at 116p, after 112p.

Breweries showed few signs of life, but Distillers ended 2 better at 148p, while Teacher continued firmly at 185p, up 5p more.

Interest in Buildings was on a selective basis. H. and R. Johnson-Richards Tiles advanced 7 to 129p, while Associated Portland Cement, 160p, and Marchwiel, 80p, put on 5 and 6 respectively. International Timber ended 2 firmer at 100p following acquisition news, while gains of 4 were scored by SGB Group, 111p, A. Monk, 28p, and Anglo American Asphalt, 58p. Plant hire issues made modest headway, Bristol Plant closing a fraction harder at 6¾p and Vibroplant 2 firmer at 82p.

Standing around 296p for much of the day, ICI improved late to close 6 higher at a 1975 peak of 302p. Elsewhere in Chemicals, Alida Packaging closed 2 off at 82p after the preliminary results, while Holt Products eased 1½ to 24p on the statement which accompanied the results. Dealings were resumed yesterday in Croda International and Midland-Yorkshire following the enquiry by the Take-over Panel, Croda closed 2 easier at 67p, while Midland-Yorkshire improved to 488p in active trading before finishing a net 10 higher at 480p.



Little changed for most of the day, Stores attracted buyers in the late trading and closed firmly under the lead of Marks and Spencer, which ended 6 higher at 255p, after 248p. Other leading Stores had small losses replaced by modest gains. Among secondary issues, Owen Owen moved up 4 to 57p in response to the chairman's encouraging remarks on current trading at the annual meeting. Peters Stores improved 4 to 48p as did Ratners to 90p. Lee Cooper rose 5 to 85, but Martin the Newsagents declined 4 to 136p. Mail Orders moved lower with Empire Stores and Freemans (London) both closing 2 easier at 118p and 172p respectively.

Electricals joined in the late revival to close widely better. BICC were 5 higher at 131p, while General Electric, 132p, and Reyrolle Parsons, 61p, put on 3 apiece. EMI were finally 2 up at 195p, after 191p. Chloride, ahead of next Tuesday's results, improved 6 to a 1975 peak of 118p. Thorn Electrical continued to make headway, the Ordinary and "A" both another 6 to the good at 174p. Modest rises were also scored by Dreamland, 34p, and Rediffusion, 67p. On a less cheerful note, Philips Lamp lost 37 to 785p on the weakness of the dollar premium. Goldring eased from 16p to close a net penny down at 13p on the profits setback.

Most Engineerings were excluded from the late upsurge, although GKN closed 7 higher at 270p and Vickers, still on a mid-week investment recommendation, rose 5 more to 150p. Hawker finally managed a rise of 4 to 300p, but Tube Investments stayed at 306p. Press comment aided T. W. Ward, 3 up at 53½p, and Ratcliffs (Great Bridge), 2 better at 29p, while E. E. Jeavons edged forward 1 to 36½p despite lower profits. On the warning of lower earnings, British Rollmakers slipped 4 to 30p. Elsewhere, gains of around 5 were seen in C. and W. Walker, 95p, Hallite, 70p, and WGI, 54p. Greenwood and Batley were suspended at 36p at the company's request because of the proposed change in the group's structure following the new deal with Maurice James; the 15 per cent. one-year Notes, 1976, were also suspended, at £98. Shipbuildings featured a rise of 6 to 52p in Hawthorn Leslie.

Rowntree Mackintosh continued firmly in Foods, rising 6 further to 157p. Cullens Stores were also popular, the "A" closing 5 better at 55p and the ordinary 13 to the god at 78p following small buying in a restricted market. Other firm spots included Clifford Dairies "A," 4 up at 55p. In Supermarkets, Tesco, at 50 p, gave up 1½ of the previous day's rise of 2½.

Glaxo "rights" rumours

A few pence easier at the 'House' close, miscellaneous Industrial leaders sprang to life in inter-office dealings on a flurry of speculative buying which, in a short market, saw prices forge ahead. Glaxo were particularly favoured as rumours that the company were about to announce a £30m. "rights" issue attracted a steady flow of inquiry; a shade easier at the "House" close, the shares surged forward to finish 21 up on the day at 460p. Bowater finished 8 dearer at 185p and Boots hardened 4 to 270p, after 265p. Beecham improved 3 to 310p, after 302p. Unilever, however, ended 4 off at 404p, after 400p. Elsewhere, the undertone remained firm but business was on a smaller scale than of late. Buyers came for Cawoods which rose 11 to 156p and Elbar Industries 15 dearer at 145p. Press comment on the results helped Polymark add 5½ to 22p, while further consideration of the record profits left J. Billam a similar amount dearer at 45p. News of the sale of its Tool Merchanting branches at Huddersfield and Coventry left G. A. Robinson 5 better at 27p, while B. S. and W. Whiteley improved 3 to 32p on the results.

The late rally was fairly marked in Dunlop, which closed 3 to the good at 57p, after having been a penny easier at 53p at the "House" close. Lucas Industries managed to close unaltered at 117p, while Rolls-Royce hardened ½ to 65½p, after 64p. Associated Engineering remained firm at 61p, up a penny, while the new nil-paid gained 2 more to 19½p premium. Among Garages, Pride and Clarke advanced 4 more to 140p in a thin market.

United Newspapers jumped 15 to 236p when a buying order found supplies none too readily obtainable. In continued response to the first-half profits upsurge, McCorquodale rose 4 more to 190p among firmer Paper/Printings. Waddington "B" improved 3 to 99p, while Culter Guard Bridge, after recent weakness, rallied 1 to 18p.

MEPC's interim dividend omission and extremely poor figures continued to cloud the Property market, but a break appeared in the "after-hours" trading and the leaders regained the bulk of the earlier fall. MEPC were finally unchanged at 128p, after 122p, while Land Securities rallied from 172p to end only marginally easier at 180p. Amalgamated Investment were 2 off at 47p, after having been 44½p, and English fractionally cheaper at 86p, after 83½p. Elsewhere, profit-taking took 8 off Haslemere Estates, at 218p, Great Portland lost 5 to 215p and Stock Conversion 1 to 160p, after 155p.

BP fall late

British Petroleum's recent strength ended when U.S. sources began selling late, bringing the price down 12 to 518p. In contrast, Burmah benefited from American demand ahead of to-day's annual meeting and rose 4 to 32p, after 33p. To add to a day of fluctuating fortunes in Oils, Royal Dutch reacted quickly on investment currency influences to touch £26¼ before closing a net 1¾ lower at £26⅝. Ultramar were finally only a shade better at 218p, but Berry Wiggins met with support and gained 5 to 75p. Of overseas stocks, Pan Ocean rose 40 to 860p, while Associated Australian fell 15 further to 135p.

Trusts and Financials displayed no set trend after a small business. British Isle and General rose 15 to 370p and Nelson Financial put on 10 more to 435p, while United British Securities gained 6 to 212p. Bishopsgate Property and General Investments, however, lost 5 to 60p and Challenge Corporation shed 8 to 166p as did Sime Darby to 90p.

Down 9 on Wednesday following the poor interim results, P and O Deferred eased further to touch 100½p before rallying to close unchanged on the day at 106p. Elsewhere in Shippings, "Lofs" (results due June 25) shaded 1 to 39½p.

Courtaulds moved ahead late in line with the other leaders and closed 3 up at 139p. John Bright improved 1½ to 30½p in response to the results. Of the Tobacco leaders, Bats gained 3 to 338p and Imps 1 to 62p.

South Africans were featured by O.K. Bazaars "A," which jumped 25 to a 1975 peak of 875p.

Easier at 27½p in front of the results, Kulim, in Plantations, picked up on the figures to close unaltered at 28½p.

A further reaction in the investment dollar premium took its toll of Gold share prices which were unresponsive to a modest recovery in the bullion price.

Offerings of scrip, including some from the U.S. in after hours trading, found the market devoid of buying interest and prices were defensively marked down by jobbers in an effort to stem the selling.

Prices ended at the day's lowest with the Gold Mines index recording a 21.5 loss at 392.5. Bullion closed 75 cents up at $165.25 per ounce.

Losses ranged to £2½ in Vaal Reefs at £29¼ while Randfontein (£31½), St. Helena (£23¾) and Western Holdings (£37½) were all £1¾ lower. Despite the better-than-expected final dividend Buffels were ¾ off at £20. Western Areas were 20 easier at 680p in front of the lower-than-anticipated dividend.

Financials recorded losses throughout, the London-based issues showing little reaction to the higher U.K. Industrial market. Charter touched 198p on further consideration of the results before ending unaltered at 193p. Otherwise, Selection Trust fell 30 to 665p as did Union Corporation at 535p.

Platinums were untested. The effects of the lower premium were evident in Australians where numerous, although generally small, losses were recorded. Western Mining gave up 15 at 187p and Poseidon were 20 down at 460p. Pancontinental, however, put on 5 at 370p. Metals Exploration were unaltered at 38p following news of the financial assistance for the Greenvale nickel prospect.

Coppers retreated in line with the metal price, Roan Consolidated losing 20 at 300p. Tins were easier where changed with Southern Malayan giving up 8 at 166p. Elsewhere, premium considerations clipped 20 from Murchison at 700p and 15 from Northgate at 285p.

FINANCIAL TIMES STOCK INDICES

—	June 5	June 4	June 3	June 2	May 30	May 29	A year ago
Government Secs.	58.51	58.26	58.23	57.98	57.84	57.90	59.23
Fixed Interest	58.35	58.16	58.13	57.99	57.96	57.95	58.32
Industrial Ordinary	365.3	359.0	350.6	358.1	345.1	349.5	296.8
Gold Mines	392.9	414.4	413.2	410.0	429.0	425.2	313.4
Ord. Div. Yld. %	5.43	5.53	5.67	5.62	6.04	5.94	6.95
Earnings Yld. % (full)	16.57	16.89	17.29	17.34	18.00	18.02	17.85
P/E Ratio (net) (a) (b)	8.55	8.39	8.19	8.18	7.88	7.85	7.93
Dealings marked	7,717	7,539	7,721	6,296	6,340	6,090	†5,245
Equity turnover £m.	—	76.67	75.59	70.29	77.36	71.16	37.74
Equity bargains total	—	21,867	20,781	19,848	19,414	16,816	10,996

10 a.m. 359.0. 11 a.m. 360.9. Noon 357.7. 1 p.m. 358.7. 2 p.m. 358.3. 3 p.m. 359.0.
Latest Index 01-246 8026. † Excluding regional exchanges.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.49.
Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/2)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (5/6)	146.0 (6/1)	543.6 (18/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/6)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 5	June 4
Daily—		
Gilt-Edged	149.2	136.9
Industrials	260.0	259.1
Speculative	61.7	65.3
Totals	175.6	171.6
5-day Av'rge		
Gilt-Edged	134.5	131.6
Industrials	239.2	250.9
Speculative	72.9	75.4
Totals	162.1	154.7

FT—ACTUARIES INDICES

—	June 5	June 4	June 3	June 2	May 30	May 29	A year ago
Industrial Group	142.46	141.96	139.42	138.89	135.38	136.27	113.71
500 Shares	155.21	154.93	152.21	151.70	147.43	146.28	125.04
Div. Yield pc	5.64	5.65	5.76	5.78	5.95	5.93	6.63
P/E Ratio (net)	7.60	7.59	7.46	7.42	7.21	7.19	7.39
All Share	153.20	152.84	150.39	149.68	145.31	146.46	120.05
Consols yield pc	14.53	14.63	14.62	14.73	14.93	14.92	13.83

AUTHORISED UNIT TRUSTS

(a) (g) Abacus Arbuthnot Ltd.
53, Fountain St., M/C. 061-236 9775/8

				Yield %
Giants	35.5	35.3	.....	4.30
Giants Accum	34.9	36.8	.....	4.30
Growth Units	30.2	32.0	.....	4.30
Growth Accum	31.6	35.4	.....	4.30

(a) (g) The Crescent Group
Crescent Unit Trust Managers Ltd.
4, Melville Cres., Edinburgh 3. 031-226 4931
81, Fountain St., Manchester. 061-236 5685

				Yield %
Crescent Growth	19.4	20.8	+0.4	4.64
Cres. Internat'l	38.9	41.7	-0.4	2.11

(a) (c) Lawson Securities Ltd.
63 George Street, Edinburgh. 031-226 3911

				Yield %
Scots Resources*	71.0	76.0	.....	3.70
Accum. Units*	71.9	76.9	.....	3.70
Gilt & Warrant	28.5	30.5	.....	1.74
High Yield**	108.4	116.4	.....	13.30
Accum. Units**	117.8	125.8	.....	13.30

(a) (z) Pearl Montagu T. Mgrs. Ltd.
114, Old Broad St., EC2P 2YH. 01-588 6464

				Yield %
P & M Growth Fd	18.7	20.2	-0.2	4.09
(Accum. Units)	20.4	22.0	-0.2	4.09
P & M Income Fd.	22.6	24.4	-0.1	7.05
Pearl M'ntgu Tst	27.9	30.0	-0.2	4.47
(Accum. Units)	32.6	35.1	-0.2	4.47

(a) (g) Slater Walker Tst. Mangmt.

				Yield %
Assets Trust	55.4	59.2	+1.2	6.38
Capital Acc.	37.2	39.8	-0.5	4.75
Cap. Growth	29.7	31.9	.....	5.60
Century	40.4	43.5	-0.4	4.18
Far East	20.0	21.6	-0.2	3.51
Financial Trust	36.9	39.5	-0.8	4.01

[INSURANCE, PROPERTY, BONDS PRICES PAGE 31]

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (MISCEL.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 71¼% (based on $2.3175 per £)

CANADIANS

[illegible]

S.E. List Premium 71¼% (based on $2.3320 per £)
Conversion factor 0.5812 (0.5535)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

115	75	Colby Mines $1	75¢	......	—	—	—
760	360	Cons. Murch. 10c	700	−20	Q130c	2.2	12.0
53½	29½	Lourasia	37½	......	—	—	—
19	13	NBD $1	16	......	—	—	—
375	200	Northgate C$1	285	−15	Q65c	1.0	9.9
211	80	R.T.Z.	202	......	19.9	4.4	3.8
135	47½	Sabina Inds. C$1	100	−5	—	—	—
70	51	Stanford Mines $1	62	......	—	—	—
£12½	875	Tara Expln. $1	£11	−½	—	—	—
75	38	Yukon Cons C$1	65	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◆ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ♠ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £285 per annum for each security

FINANCIAL TIMES

Friday June 6 1975

Union may meet rail Board next week

BY JOHN WYLES, LABOUR REPORTER

TALKS ARE expected next week to try to lift the threat of a national rail strike which railwaymen's leaders warned yesterday would hit cross-Channel and other ferry railway system.

After his national executive had approved a detailed strike strategy, Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, predicted that if the strike goes ahead from June 23 "it will be a bloody battle, whoever wins and both the union and the Government will be scarred."

But he made it clear that he believed there would be peace talks with the British Railways Board next week, although his secret meeting on Wednesday with Mr. Bert Farrimond, the Board's member for industrial relations, had not held out any hope of an early settlement.

No intention

When the NUR called the strike, it had allowed three weeks to find a solution and it had no intention of allowing the situation to drift. Acknowledging that the Government's attitude to the railwaymen's claim would be important, Mr. Weighell said he would not hesitate "to pick up the phone to Downing Street" if the dispute remained deadlocked after further talks with BR.

The NUR yesterday completed its general plans for running the strike which will now be transmitted to 130,000 members involved. In addition to passenger and freight services and all railway workshop activities it was made clear that a range of ferry services will be halted in the peak of the holiday season.

All BR's cross-Channel ferry sailings, which account for about 50 per cent. of the total, look likely to be hit as well as most of the Irish Sea services and other Sealink ferries.

NUR members on London Transport will be instructed to make sure that no extra Underground train services run during the strike. Those employed by the British Transport Docks Board will ban traffic which normally enters or leaves the ports by rail.

Following his hectic dash round union offices on Wednesday Mr. Weighell claimed that *he had been given promises of* support from the National Union of Mineworkers, the Transport and General Workers, the Union of Post Office Workers and electricity supply industry unions.

The fact that the NUR has won these pledges does not point to widespread union backing for a showdown between the railwaymen and the Government.

But the NUR will claim these promises of support strengthen its negotiating position when, as expected, BR suggests further talks next week.

Cost of claim

These may well be exploratory since the gap between the two sides is formidable. BR is adamantly refusing to meet the NUR's full claim for total basic rate increases of up to 35 per cent. for railwaymen earning under £36 a week and 30 per cent. rises for the rest.

This is partly because of the cost of the claim, estimated at £140m. for all BR employees, and also because the other two rail unions, the Associated Society of Locomotive Engineers and Firemen and the Transport Salaried Staffs Association would reject the NUR's formula because of its effect on differentials.

● French and British seamen's unions yesterday agreed to hold "official" talks with the German TT line about the manning of the Mary Poppins ferry which the line is trying, against union *opposition, to introduce on the* Southampton—St. Malo route.

Flying time

British Airways expects all services at Heathrow to be back to normal this morning following the end of a week-long ground engineers' strike. Some 17 European and U.K. flights out of 150 were cancelled yesterday as union negotiators sat down to work out a cash payment for "flexible working" to put to the men to-night.

Mr. Whitlam and Dr. Cairns . . . a Right turn. Glyn Genin

Whitlam demotes his deputy in Cabinet shuffle

BY KEN RANDALL

CANBERRA, June 5.

MR. GOUGH WHITLAM, Australia's Prime Minister, to-day announced a major Cabinet reshuffle in which he demoted Dr. Jim Cairns, the deputy Prime Minister, from his Treasury post to the job of Environment Minister.

Nearly all the important portfolios are involved in the reshuffle in which Mr. Whitlam has given a decided Right-wing shift to his Labour Government.

Dr. Cairns revealed to-day that he had been told by Mr. Whitlam that his move from the Treasury was prompted by his "unwise" action in going outside Government channels to investigate overseas sources of loan funds.

But Dr. Cairns said the evidence on which the Prime Minister made his judgment was based on letters removed from his personal files and "doctored" to the extent that they "misrepresented what he had done." Mr. Whitlam to-night ordered an official inquiry into the affair.

Dr. Cairns, however, has accepted his transfer and said he had chosen the environment portfolio because of its importance.

Crucial

Dr. Cairns told the House of Representatives this afternoon that a letter authorising a Melbourne businessman, Mr. George Harrison, to investigate possible loan funds on behalf of the Government had been removed from his personal files while he was attending the OECD Ministerial Council meeting in Paris. He had found that the file was missing when he returned this week.

Dr. Cairns said it appeared the letter had passed from his personal office to the Treasury and from there a version with one crucial paragraph deleted had been sent to the Attorney-General's Department for a legal opinion.

The missing paragraph, he added, had set out his strong constraints on the extent of the authorisation which was purely to investigate and not to negotiate.

At a Press conference after his statement in the Parliament, he said that his arrangement with Mr. Harrison had not been known to the Treasury, the Reserve Bank or the Prime Minister because he considered it "relatively unimportant."

He had known Mr. Harrison socially in Melbourne and had attended a few football matches in his company, he added, but regarded him as a responsible businessman for the task he had been asked to perform.

Refusal

Dr. Cairns said there had been no specific discussion of commission but he had let Mr. Harrison know that if his investigation resulted in a firm loan arrangement with the Government there would be the normal commercial remuneration.

Mr. Clyde Cameron, the *Minister for Labour and Immigration*, refused to present his resignation to Mr. Whitlam, delaying the announcement of the Cabinet changes by several hours.

Mr. Whitlam has told him that, if necessary, his commission as a Minister will be withdrawn by the Governor-General before the general swearing-in to-morrow morning.

The new Treasurer is Mr. Bill Hayden, formerly Minister for Social Security. He was a Queensland policeman before entering politics and is regarded as an "economic nationalist." He will begin work immediately on the Budget which is due to be presented on August 19.

THE LEX COLUMN

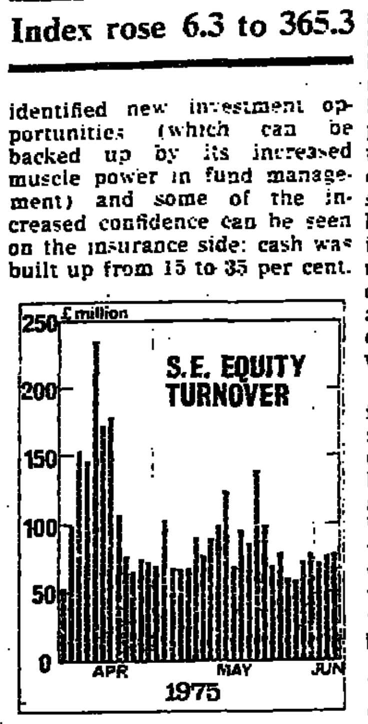
The market's head of steam

Index rose 6.3 to 365.3

The market made a token attempt during the day to restrain itself ahead of confirmation of the Referendum result. But last night's late burst of enthusiasm took the rise on the F.T. 30-Share Index for the week so far to over 20 points. Gilts, too, had quite an active day and the Government Broker made further substantial sales of the long tap, Treasury 12¼ per cent. 1993, which has been held at 90¼ since it was reactivated last week.

But although the underlying bullish trends remain intact the market will probably recognise before long that a "yes" vote is not the answer to all our problems. There is, of course, the certainty that the rights issue bandwagon will pick up speed again—there is probably up to £500m. worth in a queue which stretches to late August—and matters like a rail strike await early attention. As for gilts, the Government is now more interested in selling stock than in reviving the capital market, which was the priority in January, while some analysts are looking a trifle nervously at U.S. short term interest rates.

All the same, the strength of the monetary forces which are pushing down short money rates and buoying up the long-term capital markets cannot be ignored. An equity market which can absorb the passing of dividends by Coats Patons, John Brown and MEPC within a week and still make new highs has not lost its punch.



Slater Walker

Some, at least, of Slater Walker's future policies are becoming clearer. To begin with, there will be further dismantling of the highly geared structure which left it fighting for survival last year. The pro-forma balance sheet for the end of December, after all, still showed £273m. of borrowings against £65m. of shareholders' funds, taking investments at market value. The group will now concentrate on disposing of the £65m. of property which was unsaleable last year, and some of the proceeds will go into further purchases of quoted loan stocks. Thus the £43m. nominal of U.K. unsecured stocks outstanding last December could in theory be bought in to show a "profit" of around £18m. Meanwhile the commercial banking side is to be further run down. On the other hand, Slater has identified new investment opportunities (which can be backed up by its increased muscle power in fund management) and some of the increased confidence can be seen on the insurance side: cash was built up from 15 to 35 per cent. of insurance funds during 1974, but now there is talk of getting more fully invested.

But although Mr. Jim Slater felt "quite bullish about the general outlook" at yesterday's annual meeting the stock market only had eyes for his warning that profits this year will be at a very low level indeed, and the shares eased 5p to 81p. The point is, however, that whereas last year the group was showing so-called profits at a time when net worth was falling, assets are likely to be much more buoyant this time whatever happens in the p and l account, though the group's property valuations have yet to be put to the test.

See also Page 21

Jessel

The long wait for Jessel Securities' shareholders is finally drawing to a close. The group hopes to post a circular to-day—the date when interest payments on its £12.3m. of unsecured loan stock falls due—describing the progress of its dismantling efforts so far, and sketching out the possibilities for reconstruction in the future. The shares and loan stocks were suspended way back in October, but the delay has certainly been justified. Had the trustees of the loan stock blown the whistle during the winter months, as they could have done, the programme of disposals would have been much less successful.

All the same it seems safe to assume that there is no equity left in the balance sheet. The last accounts are now very nearly two years' out of date, but the losses realised on published share sales and on the London Indemnity insurance operation make a huge hole in shareholders' funds, which were last put at £34m. Excluding the insurance side, quoted investments absorbed 70 per cent. of capital employed in June, 1973 and the U.K. market is still down by a fifth over the intervening period.

But there ought to be room for a decent pay out to the unsecured loan stock holders. Most of the assets which can readily be sold have now gone, and after all the discussions it would be surprising if the creditors were not willing to go along with some kind of reconstruction. Maybe they might be prepared to let the Ordinary shareholders in for some kind of option—holding out the possibility of a return at some future date.

Furness Withy

Ocean Transport is heading back down to 1973's profits levels and P and O, on a comparable basis, is going to do much worse than that. But Furness Withy, according to its accounts "expects profits to hold up well" following 1974's rise from £13.9m. to £24.7m. — even though there are a number of identifiable trouble spots already. Associate profits of £5.7m. will be sharply lower thanks to Overseas Containers there will be further losses in passenger liners, and Manchester Liners has been suffering from labour disputes.

But Furness has a negligible exposure to the tanker and large dry bulk markets, and its general cargo business — like P & O's—is still doing well. Indeed, it is forecasting an improvement in one or two areas, like meat shipments from South America. At the same time, net cash balances were roughly unchanged at £19m., quoted investments total over £8m., and the proceeds of the London office disposal are yet to come. Buoyed, perhaps, by the old bid stories, the shares have sharply outperformed the sector since last month's preliminary figures, and they closed last night at a new high of 229p. The market capitalisation is £61m.

See also Page 23

Slough Estates pays £3m. for Suttons site

BY JOHN TRAFFORD, PROPERTY EDITOR

IN THE LARGEST industrial property deal for years, Slough Estates, the factory and warehouse developer, is paying £3.2m. in cash for Suttons Seeds, the privately-owned seed company based in Reading.

Slough plans to develop the 43 acre site at Reading, which Suttons uses for growing and packing seeds, into an industrial estate. There is an outline planning permission and some detailed planning permissions for building warehouses on the site.

Slough plans to build some 750,000 square feet of warehouses which, if built to-day, would cost about £5m. and fetch £1.25m. in a total annual rental.

Building work on the first phase of the development is expected to begin before the end of 1975 and the first tenants should move into the new estate during 1976. The company hopes to complete the construction work by 1980.

When completed, the Reading estate will rank as Slough's third-largest, after its original and now expanded estate at Slough (600 acres) and the Kingsnorton estate in Birmingham (about 50 acres).

The seed business will continue under its existing management but much of the growing operation will be transferred toTorquay before the end of 1976. No interruption is expected in the company's seed-growing programme.

Mr. Walace Mackenzie, Slough Estate's deputy managing director, last night agreed that Suttons did not fit into his group's activities but said that the plan was to see that the company continued to grow and prosper.

Suttons' headquarters building and packing centre, comprising 159,000 square feet, will remain in the Slough portfolio and has already been leased to an unnamed tenant for 35 years. The lease provides for continuing occupation by Suttons until the relocation takes place.

Slough has already handed over £2.2m. of the total price and will pay the balance in two equal installments in March and December next year. Additional payments will later be made equivalent to the net proceeds received on realisation of assets other than the land and buildings at Reading.

Pan Am repays $20m. bank loan

NEW YORK, June 5.

PAN AMERICAN World Airways said it repaid a $20m. instalment of a $90m. loan with 36 of its lending banks. A minimum of a similar payment is scheduled to be made at the end of this month, with additional instalments in August and September.

Pan Am still has some $35m. available to it under the credit agreement, which is being used to cover operating expenses and current deficits it has experienced over past months.

Reuter

Ship with Israeli cargo Suez-bound

By Our Own Correspondent

TEL AVIV, June 5.

A LIBERIAN flag freighter carrying 12,000 tons of South Korean sugar to the Israeli port of Gaza has changed course and will attempt to pass through the Suez Canal, it was reported here to-day. The ship is now expected to arrive on Saturday with cargo intended for markets in Israel and its Arab territories.

A Foreign Ministry spokesman confirmed that the ship, the Trust Irons, had originally intended to round the Cape of Good Hope. But he said his Government had not initiated the switch and its passage was not to be considered a formal test of the right of Israeli-bound cargoes to use the waterway.

He added, however that if the freighter were barred by Egypt, Israel would view this as "regrettable."

Reuter reports from Washington: The State Department to-day confirmed that secret understandings with Egypt and Israel accompanied the January 1974 agreement for disengagement of forces along the Suez Canal. But the spokesman declined to confirm that the understandings required Egypt to permit Israeli cargoes to pass through the waterway.

First convoy

Meanwhile in Port Said, President Sadat, in an admiral's white uniform, re-opened the Canal, eight years after war closed it, and then sailed along the waterway on an Egyptian destroyer.

The first convoy of foreign ships then passed southward-bound along the waterway towards Suez.

In a brief speech, Mr. Sadat said it was Egypt's "sacred duty" to liberate all Israeli-occupied Arab territory "in the Golan Heights, in Sinai and in Palestine."

He has welcomed Israeli's thinning out of its forces near the East Bank, completed yesterday. But Egyptian officials denied Israeli claims of a secret agreement to permit Israeli cargoes to pass through the Canal.

● An Army spokesman in Tel Aviv said Israeli forces captured three Egyptian soldiers, including an officer, who crossed the ceasefire lines in the Sinai on Wednesday on an apparent intelligence mission. The men are to be returned to Egypt

Editorial Comment Page 18

Takeover Panel statement to-day on Haw Par

BY MARGARET REID

A FULL statement is expected from the City Take-over Panel to-day conveying its decision on the complex and delicate question of Haw Par Brothers International's position in relation to London Tin Corporation, in which it is acquiring a controlling stake.

The issue has been under consideration this week by the full panel, which is headed by Lord Shawcross. It arose when, last week, a £25m. deal was announced under which the Malaysian Government's Pernas Securities was to take a 40 per cent. stake in Haw Par in exchange for the transfer to Haw Par of a portfolio of securities.

One of the largest interests in this portfolio was a stake of over 20 per cent. in London Tin, which would raise Haw Par's existing interest in that concern—the world's largest tin group—from just under 30 per cent. to over 50 per cent.

Under the Take-over code's normal rules, Haw Par would be expected to make a general bid for the outstanding London Tin shares, since it had made a purchase raising its interest above 30 per cent., the level usually triggering the need for a general offer.

The question the panel has been wrestling with is whether this normal principle should be enforced, or whether the circumstances of the case are so special that exemption should be allowed, permitting Haw Par to build up its holding in London Tin without making a full-scale bid.

It has been strongly argued by Haw Par's chairman, Mr. James Gammell, that the requirement for such a bid—which would cost Haw Par at least £20m.—would frustrate the Malaysian Government's purpose of running businesses in partnership with outside interests. The panel will have considered whether between to financial relationships between the City and the East could result from insisting on its normal rules.

Weather

U.K. FOR TO-DAY

WARM, cloudy at first but sunny periods later.

London, E. Anglia, S.E., E., and Cent. S. England

Dry cloudy start, later sunny periods inland. Wind southerly, light. Max. 21C (70F), but cooler near some coasts.

Midlands, N.W. and Cent. N. England, N. Ireland

Dry, cloudy start, sunny periods developing. Wind S., light or moderate. Max. 20C (68F).

Channel Is.

Cloudy with coastal fog patches, some bright intervals developing. Wind S., moderate. Max. 15C (59F).

S.W. England, S Wales

Cloudy start with some drizzle. Later sunny periods inland. Hill and coastal fog patches. Max. 20C (68F), but cool near coast.

***N. Wales, Lakes, I. of Man, S.W.* Scotland and Argyll**

Cloudy start with occasional drizzle and hill fog patches, sunny spells developing inland. Wind S., moderate. Max. 18C (64F), but cool near coasts.

Cent. Highlands and N.W. Scotland

Cloudy start with some drizzle and hill fog patches, sunny spells developing. Wind S., moderate. Max. 18C (64F).

N.E. England, Borders, Edinburgh and Dundee, Aberdeen, Glasgow and Moray Firth

Dry, sunny periods developing. Wind S., moderate. Max. 20C (68F).

N.E. Scotland, Orkney, Shetland

Cloudy with rain at first and hill fog patches, bright intervals later. Wind S., moderate or fresh. Max. 13C (55F).

Outlook: Warm with sunny periods but also some thundery showers.

Lighting-up: London 21.42, Manchester 22.02, Glasgow 22.25, Belfast 22.24.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm.	C	15	59	Madrid	S	27	81
Athens	S	24	75	Manchstr	C	16	61
Bahrain	S	38	100	Melbourne	R	13	55
Barcelona	F	19	66	Milan	S	21	70
Beirut	F	26	79	Montreal	S	19	66
Belfast	C	15	64	Moscow	S	27	81
Belgrade	C	15	59	Munich	F	13	55
Berlin	F	14	57	Newcastle	R	14	57
Birmghm.	C	16	61	New York	C	16	61
Bristol	C	17	63	Oslo	S	16	61
Brussels	F	17	63	Paris	S	19	66
Budapest	F	16	61	Perth	R	20	68
B. Aires	S	13	55	Prague	F	13	55
Cairo	S	38	101	Reykjavik	F	7	45
Cardiff	S	19	66	Rio de J'o	C	23	73
Cologne	S	17	63	Rome	S	23	73
Copnhagn.	C	11	52	Singapore	R	29	84
Dublin	C	19	66	Stockholm	S	15	59
Edinb'rgh	C	16	61	Strasbourg	F	17	63
Frankfurt	F	16	61	Sydney	W	16	61
Geneva	S	16	61	Tehran	C	29	84
Glasgow	R	25	77	Tel Aviv	S	25	77
Helsinki	F	14	57	Tokyo	R	19	66
H. Kong	R	25	77	Toronto	C	15	59
Jo'burg	S	19	66	Vienna	C	13	55
Lisbon	S	29	84	Warsaw	F	15	59
London	C	15	59	Zurich	F	15	59
Luxembrg.	S	16	61				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	21	70	Jersey	C	17	63
Algiers	S	24	75	Las Plms.	S	21	70
Biarritz	S	24	75	Locarno	S	20	68
Blackpool	C	15	59	Majorca	F	23	73
Bordeaux	S	22	72	Malaga	S	25	77
Boulogne	C	17	63	Malta	S	20	68
Casablnca.	S	22	72	Nairobi	S	21	70
Cape Tn.	C	18	64	Naples	F	19	66
Corfu	S	22	72	Nice	S	19	66
Dubrovnik	C	18	64	Nicosia	S	25	77
Faro	S	25	77	Oporto	S	24	75
Florence	F	21	70	Rhodes	F	25	77
Funchal	C	19	66	Salzburg	R	12	54
Gibraltar	S	22	72	Tangier	S	27	81
Guernsey	F	15	59	Tenerife	S	21	70
Innsbruck	F	15	59	Tunis	S	24	75
Inverness	R	12	54	Valencia	F	22	72
I. of Man	C	12	54	Venice	S	20	68
Istanbul	C	19	66				

S—Sunny. R—Rain. F—Fair. C—Cloudy. W—Windy.

NCR to cut its labour force

BY CHRISTOPHER LORENZ

NCR, the U.S.-controlled manufacturer of retail check-out equipment, plans to make 800 of its 3,000 Dundee employees redundant in July. Both staff and manual workers are involved, many of them women.

A management statement yesterday said the economic climate in the U.K. and overseas had resulted in many customers reducing substantially their forecast requirement for business equipment.

"In spite of every endeavour by NCR's marketing organisations in the U.K. and overseas to increase the flow of orders to the *Dundee factory, the present position* with orders dictates a reduction in the manufacturing levels for a number of products, particularly mechanical cash registers and accounting machines."

The unions had been informed of the position, a spokesman said, and there are to be further discussions.

The Dundee cutback follows reductions in NCR's labour force elsewhere in Europe—including Germany and Switzerland—as well as the U.S.

Dundee, which at its peak employed over 6,000 people in eight factories—there are now only four — exports about three-quarters of its production, especially to Europe.

Another group cutting back on *its workforce is* ***ROLLS-ROYCE*** (1971), whose engine division is to reduce its labour force by 2,000 to 33,000 by the end of the year. The rundown will take place through natural wastage and will not involve redundancies.

Production workers will not be affected but there will be a 10 per cent. reduction among staff and indirect labour in factories in Derbyshire, Yorkshire, County Durham and Scotland.

In spite of the loss of labour output is expected to be up on last year, although some slight fall is anticipated in 1976 as a result of reduced orders for new RB-211 engines as demand eases for the Lockheed TriStar in which they are fitted.

But the main reason for the *initiative, management* explained, was the desire to cut costs and remain competitive, particularly with the U.S., during a period of rapid inflation.

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